1040 / package 1 / 989

1989

Department of the Treasury
Internal Revenue Service

What's inside?

A note from the Commissioner (page 2)
What's new for 1989 (page 2)
Free tax help (page 3)
Avoid common mistakes (page 22)
Tax table (page 29)
How to order forms and publications (page 40)
How to make a gift to reduce the public debt (page 22)
Index (page 42)

Forms and Instructions

1040

This package contains:

Form 1040
Income Tax Return

Schedules A&B
Itemized Deductions and
Interest and Dividend Income

Want Your Refund Fast?

See Page 2

Internal Revenue Service
P.O. Box C-32120
Richmond, VA 23261-2120

Official Business
Penalty for Private Use, $300
Forwarding and Return
Postage Guaranteed

Please use this label on your return

Bulk Rate
Postage and Fees Paid
Internal Revenue Service
Permit No. G-48

Package 1

T22.51:

From the Commissioner

Dear Taxpayer,

IRS appreciates the efforts you make to file an accurate tax return. We can improve the processing of returns and issuance of refunds if you file early and use the label we sent to you. If you have a refund coming, we can process your return even faster if you file electronically.

When we went to print with this year's forms and instructions, Congress was still considering changes to the tax law. Please take note of the information included in these instructions concerning the new law.

As your new Commissioner, I assure you we are deeply committed to do everything we can to make it easier for you to comply with the tax laws. We are equally committed to simplifying tax rules and modernizing IRS' outdated equipment. This will make it easier for you to file your tax return or resolve other tax problems. We want to provide whatever assistance we can to make filing your return as easy as possible. Let us know if we can do more.

Fred T. Goldberg, Jr.
Commissioner of Internal Revenue

What's New for 1989?

Fast Refund. If you expect a tax refund for 1989, instead of mailing your return to IRS, you may want to have it filed electronically. When you file electronically, you receive your refund in about 3 weeks, or, in about 2 weeks if you have it deposited directly into your savings or checking account. For a charge, many professional tax return preparers offer electronic filing in addition to their return preparation services. If you prepare your own return, a preparer or transmitter in your area can file your return electronically for you. For more information on electronic filing, see **Tele-Tax Information** in the index (topic no. 112). For a list of those in your area who can file your return electronically for you, call IRS toll free at 1-800-424-1040 and ask for the Electronic Filing Office.

Refund Checks. Be sure to cash your refund check soon after you receive it. Checks not cashed within 12 months of the date of the check will be cancelled.

Deduction for Exemptions. The deduction for each exemption—for you, your spouse, and dependents—has increased to $2,000.

For 1989, you may not claim an exemption for your child who was a full-time student and was age 24 or older at the end of the year, unless the child's gross income was less than $2,000. But the child may claim an exemption on his or her own return.

Should You Itemize or Take the Standard Deduction? The standard deduction has increased for most people. Because of this increase, it may be to your benefit to take the standard deduction this year even though you itemized deductions in the past. Read the instructions for line 34 on page 16.

Social Security Numbers for Dependents Age 2 or Older. If you claim any person age 2 or older as a dependent, show that person's social security number on your return. If your dependent does not have a number, see the instructions for line 6c, column (3), on page 9.

Increased Earned Income Credit. You may be able to take this credit for 1989 if you earned less than $19,340 and a child lived with you. The limit was $18,576 last year. Read the instructions for line 58 on page 20 to see if you can take this credit.

Child and Dependent Care Expenses. You may not claim the credit for child and dependent care expenses or exclude employer-provided dependent care benefits from your income unless you report the new information about the care provider on Form 2441.

You may not claim a credit for payments made for the care of a dependent child who was age 13 or older unless the child was disabled. The age limit was 15 or older last year.

Supplemental Medicare Premium. If you were eligible for Medicare Part A benefits for more than 6 full months during the year, you may owe the new supplemental Medicare premium. The premium will help pay the cost of the new Medicare catastrophic and prescription drug coverage. Read the instructions for line 54 on page 19.

Children Under 14 May Not Have To File. If your child was under age 14 and had income **only** from interest and dividends that totaled less than $5,000, you may be able to elect to report your child's income on your return. If you do, your child will not have to file a return. For more details, see **Exception for Children Under Age 14** on page 5.

Employee Business Expenses. For most people, employee business expenses are deductible only as an itemized deduction on **Schedule A,** line 20. If you are reimbursed for your employee expenses under an arrangement with your employer and **both** of the conditions listed below apply, amounts you received under the arrangement should not have been reported to you as income on your Form W-2.

- The arrangement requires you to substantiate your expenses to your employer, AND
- The arrangement requires you to return (and you do return) any amount in excess of your substantiated expense covered under the arrangement.

If the arrangement does **not** meet both of the above conditions, amounts you received under the arrangement should have been reported to you as wages on your Form W-2.

Pending Legislation. At the time these instructions were printed, Congress was considering changes that affect the **capital gain** and **supplemental Medicare premium** rules. When Congress completes its action, we will take steps to publicize the final rules.

Additional Information. If you want more information about tax law changes for 1989, get **Pub. 553,** Highlights of 1989 Tax Changes. You may also find the publications listed at the end of this booklet helpful in completing your return.

New Publication. An easy-to-read guide, **Pub. 2,** The ABC's of Income Tax, will help you better understand your taxes. It gives the basic rules that apply to most people, without the exceptions that apply to only a few.

What To Look For in 1990

Exclusion of Interest From U.S. Savings Bonds. If you cash Series EE savings bonds issued after 1989, you may be able to exclude from income part or all of the interest on those bonds. But you must have paid higher education expenses during the year for you, your spouse, or your dependent. Get **Pub. 550,** Investment Income and Expenses, for details.

Privacy Act and Paperwork Reduction Act Notice

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information, we must first tell you several things: our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

This notice applies to tax returns and any papers filed with them. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a) and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. This is so we know who you are, and can process your return and papers.

You must fill in all parts of the tax form that apply to you. Code section 6109 and its regulations say that you must show your social security number on what you file. You do not have to check the boxes for the Presidential Election Campaign Fund.

We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax.

We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, the law says that you may be charged penalties and, in certain cases, you may be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

The Time It Takes To Prepare Your Return

We try to create forms and instructions that are accurate and can be easily understood. Often this is difficult to do because some of the tax laws enacted by Congress are very complex. For some taxpayers with income mostly from wages, filling out the forms is easy. For others who have businesses, pensions, stocks, rental income or other investments, it is more difficult.

The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing the form	Copying, assembling, and sending the form to IRS
1040	3 hrs., 7 min.	2 hrs., 32 min.	3 hrs., 10 min.	35 min.
Sch. A (1040)	2 hrs., 47 min.	26 min.	1 hr., 1 min.	20 min.
Sch. B (1040)	33 min.	8 min.	16 min.	20 min.
Sch. C (1040)	6 hrs., 13 min.	1 hr., 4 min.	1 hr., 56 min.	25 min.
Sch. D (1040)	1 hr., 2 min.	1 hr.	1 hr., 8 min.	35 min.
Sch. D-1 (1040)	13 min.	1 min.	13 min.	35 min.
Sch. E (1040)	2 hrs., 52 min.	1 hr., 7 min.	1 hr., 16 min.	35 min.
Sch. F (1040)	9 hrs., 41 min.	1 hr., 59 min.	3 hrs., 52 min.	35 min.
Sch. R (1040)	20 min.	15 min.	22 min.	35 min.
Sch. SE (1040):				
Short	20 min.	11 min.	13 min.	14 min.
Long	26 min.	22 min.	37 min.	20 min.

We Welcome Comments on Forms:

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms more simple, we would be happy to hear from you. You can write to the **Internal Revenue Service,** Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; or the **Office of Management and Budget,** Paperwork Reduction Project (1545-0074), Washington, DC 20503.

DO NOT send your return to either of these offices. See **Where To File** on page 5.

How To Use This Booklet

- Pages 4–6 contain information on who must file, when and where to file, and how to choose the correct form.
- Page 6 has steps for preparing your return.
- Pages 6–22 have line-by-line instructions.
- Pages 22–23 have general information.
- Page 23 begins instructions for many of the schedules that may be attached to Form 1040.

What Free Tax Help is Available?

Tax Forms and Publications. Most of your tax questions can be answered by reading the tax form instructions or one of our many free tax publications.

Recorded Tax Information by Telephone. Our **Tele-Tax** service has recorded tax information covering about 140 topics.

Refund Information. Beginning March 1, Tele-Tax can also tell you the status of your refund.

Telephone Help. IRS representatives are available to help you with your tax questions. If, after reading the tax form instructions and publications, you are not sure how to fill out your return, or have a question about a notice you

received from us, please call us. Use the toll-free number for your area.

Send IRS Written Questions. You may send your written tax questions to your IRS District Director. If you don't have the address, you can get it by calling the number for your area.

To find the toll-free number for your area and the pages that contain Tele-Tax Information, see "Telephone Assistance—Federal Tax Information" in the Index.

Walk-In Help. IRS representatives are available in many IRS offices around the country to help with tax questions that cannot be answered easily by telephone or in our publications. To find the location of the IRS office nearest you, look in the phone book under "United States Government, Internal Revenue Service."

Volunteer Income Tax Assistance (VITA) and **Tax Counseling for the Elderly (TCE).** These programs help older, handicapped, and non-English-speaking people fill out their returns. Call the toll-free telephone number for your area for details. If you received a Federal Income Tax Package in the mail, take it with you when you go for help.

Videotaped Instructions. Videotaped instructions for completing your return are available in either English or Spanish at many libraries.

Telephone Service for the Deaf is available. **Braille Materials for the Blind** are available at regional libraries for the blind and handicapped.

Unresolved Tax Problems. The **Problem Resolution Program** is for taxpayers who have been unable to resolve their problems with the IRS. If you have a tax problem you cannot clear up through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance. This office cannot change the tax law or technical decisions. But it can help you clear up problems that resulted from previous contacts.

Free Social Security Personal Earnings and Benefit Estimate Statement. The Social Security Administration (SSA) can mail you a statement of your earnings covered by social security and your estimated future benefits. To get this statement, complete a simple form and return it to SSA. You may get a request form by writing to **Consumer Information Center,** Department 72, Pueblo, CO 81009.

Who Must File

Use **Chart A** below to see if you must file a return. But, you must use **Chart B** on page 5 if someone (such as your parent) can claim you as a dependent on his or her return. Also see **Other Filing Requirements** on page 5.

Chart A—For Most People

To use this chart, first find your marital status at the end of 1989. Then, read across to find your filing status and age at the end of 1989. You must file a return if your gross income* was at least the amount shown in the last column.

Marital status	Filing status	Age	Gross income*
Single (including divorced and legally separated)	Single	under 65	$5,100
		65 or older	$5,850
	Head of household	under 65	$6,550
		65 or older	$7,300
Married with a child and living apart from your spouse during the last 6 months of 1989 (see page 7)	Head of household	under 65	$6,550
		65 or older	$7,300
Married and living with your spouse at end of 1989 (or on the date your spouse died)	Married, joint return	under 65 (both spouses)	$9,200
		65 or older (one spouse)	$9,800
		65 or older (both spouses)	$10,400
	Married, separate return	any age	$2,000
Married, not living with your spouse at end of 1989 (or on the date your spouse died)	Married, joint or separate return	any age	$2,000
Widowed before 1989 and not remarried in 1989	Single	under 65	$5,100
		65 or older	$5,850
	Head of household	under 65	$6,550
		65 or older	$7,300
	Qualifying widow(er) with dependent child (see page 7)	under 65	$7,200
		65 or older	$7,800

Gross income *usually means money, goods, and property you received on which you must pay tax. It does not include nontaxable income. See page 9 of the instructions to find out which types of income you should include.*

Chart B—For Children and Other Dependents

(See the instructions for line 6c on page 8 to find out if someone can claim you as a dependent.)

If someone (such as your parent) can claim you as a dependent, and any of the 4 conditions listed below applies to you, you must file a return.

In the following chart, **unearned income** includes taxable interest and dividends. **Earned income** includes wages, tips, and taxable scholarships and fellowships.

1. Single dependents under 65

You must file a return if—

Your unearned income was:	and	the total of that income plus your earned income was:
$1 or more		more than $500
$0		more than $3,100

2. Single dependents 65 or older or blind

You must file a return if—

- Your earned income was more than $3,850, or
- Your unearned income was more than $1,250 ($2,000 if 65 or older **and** blind), or
- Your gross income was more than the total of your earned income (up to $3,100) or $500, whichever is larger, plus $750 ($1,500 if 65 or older **and** blind).

3. Married dependents under 65

You must file a return if—

- Your earned income was more than $2,600, or
- You had any unearned income and your gross income was more than $500, or
- Your gross income was at least $5 and your spouse files a separate return on Form 1040 and itemizes deductions.

4. Married dependents 65 or older or blind

You must file a return if—

- Your earned income was more than $3,200, or
- Your unearned income was more than $1,100 ($1,700 if 65 or older **and** blind), or
- Your gross income was more than the total of your earned income (up to $2,600), or $500, whichever is larger, plus $600 ($1,200 if 65 or older **and** blind), or
- Your gross income was at least $5 and your spouse files a separate return on Form 1040 and itemizes deductions.

Exception for Children Under Age 14. If your child was under age 14 on January 1, 1990, and **all** of the following apply, you may elect to report your child's income on your return. If you make this election, your child does not have to file a return.

- Your child had income only from interest and dividends; and
- Your child's gross income was less than $5,000; and
- Your child had no Federal income tax withheld from his or her income (backup withholding) or did not make estimated tax payments for 1989.

If you and the child's other parent are not filing a joint return, special rules apply to determine which parent may make the election. Get **Form 8814,** Parent's Election To Report Child's Interest and Dividends, for details.

Other Filing Requirements. You must file a return if any of the following applied for 1989:

- You owe any special taxes, such as:

—social security tax on tips you did not report to your employer;

—uncollected social security tax or RRTA tax on tips you reported to your employer;

—alternative minimum tax;

—tax on an Individual Retirement Arrangement (IRA) or a qualified retirement plan; or

—tax from recapture of investment credit or low-income housing credit.

- You received any advance earned income credit (AEIC) payments from your employer(s).
- You had net earnings from self-employment income of at least $400.
- You had wages of $100 or more from a church or qualified church-controlled organization that is exempt from employer social security taxes.

The rules under **Who Must File** (pages 4 and 5) apply to all U.S. citizens and resident aliens (but see **Exception** below). They also apply to nonresident aliens and dual-status aliens who were married to U.S. citizens or residents at the end of 1989 and who have elected to be treated as resident aliens.

Exception. If you were a U.S. citizen who lived in a U.S. possession or had income from a U.S. possession, different filing requirements apply. Get **Pub. 570,** Tax Guide for Individuals in U.S. Possessions.

If you were a nonresident alien at any time during 1989 (except as mentioned above), different rules apply. You may have to file **Form 1040NR,** U.S. Nonresident Alien Income Tax Return. Specific rules apply to determine if you are a resident or nonresident alien. Get **Pub. 519,** U.S. Tax Guide for Aliens, for details.

Who Should File

Even if you do not have to file, you should file to get a refund of any Federal income tax withheld. You should also file if you can take the earned income credit. If you file for either of these reasons only, you may be able to use Form 1040A. If you are single and file only to get a refund of tax withheld, you may be able to use Form 1040EZ.

When To File

You should file as soon as you can after January 1, but not later than April 16, 1990.

If you file late, you may have to pay penalties and interest. See **Penalties and Interest** on page 22.

If you know that you cannot file your return by the due date, you should file **Form 4868,** Application for Automatic Extension of Time To File U.S. Individual Income Tax Return, by April 16, 1990.

Note: *Form 4868 does not extend the time to pay your income tax. See the Instructions for Form 4868.*

If you are a U.S. citizen or resident, you may qualify for an automatic extension of time to file if, on the due date of your return, you meet one of the following conditions:

- You live outside the U.S. and Puerto Rico, AND your main place of business or post of duty is outside the U.S. and Puerto Rico.
- You are in military or naval service on duty outside the U.S. and Puerto Rico.

The extension gives you an extra two months to file and pay the tax, but interest will be charged from the original due date of the return on any unpaid tax. You must attach a statement to your return showing that you meet the requirements.

Where To File

If an addressed envelope came with your return, please use it. If you do not have one, or if you moved during the year, mail your return to the **Internal Revenue Service Center** for the place where you live. No street address is needed.

If you live in: ▼	Use this address: ▼
Florida, Georgia, South Carolina	Atlanta, GA 39901
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Illinois, Iowa, Minnesota, Missouri, Wisconsin	Kansas City, MO 64999
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501

*(**Where To File** continued on next page)*

American Samoa	Philadelphia, PA 19255
Guam	Commissioner of Revenue and Taxation 855 West Marine Dr. Agana, GU 96910
Puerto Rico (or if excluding income under section 933) Virgin Islands: Nonpermanent residents	Philadelphia, PA 19255
Virgin Islands: Permanent residents	V. I. Bureau of Internal Revenue Lockharts Garden No. 1 A Charlotte Amalie, St. Thomas, VI 00802
Foreign country: U.S. citizens and those filing Form 2555 or Form 4563	Philadelphia, PA 19255
All A.P.O. or F.P.O addresses	Philadelphia, PA 19255

Which Form To File

You MAY Be Able To Use Form 1040EZ If:

- You were single and do not claim any dependents.
- You were not 65 or older OR blind.
- You had **only** wages, salaries, tips, taxable scholarships and fellowships, and not more than $400 of taxable interest income.
- Your taxable income is less than $50,000.
- You do not itemize deductions or claim any adjustments to income or tax credits.

You MAY Be Able To Use Form 1040A If:

- You had income **only** from wages, salaries, tips, taxable scholarships and fellowships, unemployment compensation, interest, or dividends.
- Your taxable income is less than $50,000.
- You do not itemize deductions.

You can also use Form 1040A to claim the deduction for certain contributions to an Individual Retirement Arrangement (IRA), nondeductible contributions to an IRA, and the credit for child and dependent care expenses. You may use it even if you owe the new supplemental Medicare premium.

Since Forms 1040A and 1040EZ are easier to complete than Form 1040, you should use one of them unless using Form 1040 lets you pay less tax. However, you must file Form 1040 if any of the following situations applies to you.

You MUST Use Form 1040 If:

- Your taxable income is $50,000 or more.
- You itemize deductions. (Read the instructions for line 34 on page 16 to see if it would benefit you to itemize.)
- You received, as a nominee, interest or dividends that actually belong to another person.
- You received or paid accrued interest on securities transferred between interest payment dates.
- You received any nontaxable dividends or capital gain distributions.
- You are required to fill in Part III of Schedule B for foreign accounts and foreign trusts (see page 27 of the instructions).
- You had any of the kinds of income shown on Form 1040, lines 10 through 19, 21b, and 22, such as taxable social security or equivalent railroad retirement benefits.
- You take any of the adjustments to income shown on Form 1040, lines 26 through 29, or any write-in amount included on line 30.
- You claim any of the credits on Form 1040, lines 42 through 45, or any write-in amount included on line 46.
- You owe any of the taxes on Form 1040, lines 39, 48 through 52, or any write-in amount included on line 53 (other than advance earned income credit payments).
- You claim any of the payments on Form 1040, lines 57, 61, 62, or any write-in amount included on line 62 or 63.
- You file any of these forms:

Form 1040-ES, Estimated Tax for Individuals, for 1989.

Form 2210, Underpayment of Estimated Tax by Individuals and Fiduciaries.

Form 2555, Foreign Earned Income.

Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa.

Form 8271, Investor Reporting of Tax Shelter Registration Number.

Form 8814, Parent's Election To Report Child's Interest and Dividends.

Preparing Your Return

Follow the six useful steps below to help you prepare your return. If you follow these steps and read the line-by-line instructions, we feel that you can fill in your return quickly and accurately.

Step 1— Get all of your records together.

Income Records. These include any **Forms W-2, W-2G, W-2P,** and **1099** that you may have. If you don't get a Form W-2 by January 31, 1990, or if the one you get isn't correct, please contact your employer as soon as possible. Only your employer can give you a Form W-2 or correct it. If you cannot get a Form W-2 by February 15, call the toll-free telephone number listed in the instructions for your area. You will be asked for your employer's name, address, and if known, identification number.

Itemized Deductions and Tax Credits. Pages 18 through 27 of these instructions tell you what credits and itemized deductions you can take. Some of the records you may need are:

- Medical and dental payment records.
- Real estate and personal property tax receipts.
- Interest payment records for items such as a home mortgage, car, or appliances.
- Records of payments for child care so you could work.

Step 2— Get any forms, schedules, or publications you need.

In general, we mail forms and schedules to you based on what you filed last year. Before you fill in your return, look it over to see if you need more forms or schedules.

If you think you will need any other forms, get them before you start to fill in your return. Most IRS offices and many local banks, post offices, and libraries may have some of them. Or, you can use the order blank on the next to the last page of this instruction booklet. We will send you the forms, schedules, instructions, and publications you ask for.

Step 3— Fill in your return.

The line-by-line instructions begin below.

Step 4— Check your return to make sure it is correct.

See **Avoid Common Mistakes** on page 22.

Step 5—Sign and date your return.

Form 1040 is not considered a valid return unless you sign it. Your spouse must also sign if it is a joint return.

Step 6— Attach all required forms and schedules.

Attach the first copy or Copy B of Forms W-2, W-2G, and W-2P to the front of Form 1040.

Attach all other schedules and forms behind Form 1040 in order of the "Attachment Sequence No." shown in the upper right corner of the schedule or form. For example, the "Attachment Sequence No." for Schedule A (Form 1040) is 07. Attach forms without an attachment sequence number at the end of your return.

If you need more space on forms or schedules, attach separate sheets. Use the same format as the printed forms, but show your totals on the printed forms. Please use sheets that are the same size as the forms and schedules. Be sure to put your name and social security number on the sheets and attach them at the end of your return.

If you owe tax, be sure to attach your payment to the front of Form 1040.

Line-by-Line Instructions

Name, Address, and Social Security Number

We can process your return faster if you use the mailing label on the front of the instruction booklet. But don't attach it until you have finished your return. Cross out any errors and print the correct information on the label. Add any missing items (such as your apartment number).

***Caution:** If the label is for a joint return and the social security numbers are not listed in the same order as the first names, show the numbers in the correct order.*

If you do not have a label, print or type the information in the spaces provided. But if you are married filing a separate return, do not enter your husband's or wife's name here. Instead, show his or her name in the space provided on line 3.

Name Change. If you changed your name because of marriage, divorce, etc., be sure to report this to the Social Security Administration (SSA) so that it has the same name in its records that you have on your tax return. This prevents delays in processing your return and safeguards your future social security benefits.

Social Security Number. Enter your social security number in the area marked "Your social security number." If you are married, write your husband's or wife's social security number in the area marked "Spouse's social security number." Be sure that the number you enter agrees with the number shown on your social security card. Also be sure to check that your social security number is correct on your Forms W-2 and 1099. See page 22 for more information.

If you don't have a social security number, get **Form SS-5** from your local SSA office. If you do not receive a number by the time your return is due, write "Applied for" in the space for the number.

Nonresident Alien Spouse. If your spouse is a nonresident alien and you file a joint return, your spouse must get a social security number. If you file a separate return and your spouse has no social security number and no income, write "NRA" in the space for your spouse's number.

P.O. Box. If your post office does not deliver mail to your home and you have a P.O. box, show your P.O. box number instead of your home address.

Foreign Address. If your address is outside of the United States or its possessions or territories, enter the information on the line for "City, town, or post office, state, and ZIP code" in the following order: city, province or state, foreign postal code, and the name of the foreign country. Do **not** abbreviate the country name.

Presidential Election Campaign Fund

Congress set up this fund to help pay for Presidential election costs. If you want $1 of your tax to go to this fund, check the "Yes" box. If you are filing a joint return, your spouse may also have $1 go to the fund. If you check "Yes," your tax or refund will not change.

Filing Status Lines 1 through 5

In general, your filing status depends on whether you are considered single or married. Each filing status has a different tax rate. The filing statuses are listed below, with the highest tax rate listed first and the lowest rate last:

- Married filing a separate return
- Single
- Head of household
- Married filing a joint return and Qualifying widow(er) with dependent child

If more than one filing status applies to you, choose the one that will give you the lowest tax.

Single

You may check the box on line 1 if **any one** of the following was true on December 31, 1989:

- You were never married, or
- You were legally separated, according to your state law, under a decree of divorce or of separate maintenance, or
- You were widowed before January 1, 1989, and did not remarry in 1989.

Married Filing Joint Return

You may check the box on line 2 if **any one** of the following is true:

- You were married as of December 31, 1989, even if you did not live together at the end of 1989, or
- Your spouse died in 1989 and you did not remarry in 1989, or
- Your spouse died in 1990 before filing a 1989 return. For details on how to file the joint return, see **Death of Taxpayer** on page 23.

A husband and wife may file a joint return even if only one had income or if they did not live together all year. However, both persons must sign the return and both are responsible. This means that if one spouse does not pay the tax due, the other may have to.

If you file a joint return for 1989, you may not, after the due date for filing that return, amend that return to file as married filing a separate return.

Special Rule for Aliens. If at the end of 1989 you were a nonresident alien or dual-status alien married to a U.S. citizen or resident alien, you may be able to file a joint return with your spouse. If you do file a joint return, you and your spouse must agree to be taxed on your combined worldwide income. For more details, get **Pub. 519,** U.S. Tax Guide for Aliens.

Married Filing Separate Return

If you file a separate return, you will generally pay more tax. This is because the tax rate is higher for married persons filing separately. But you may want to figure your tax both ways to see which filing status is to your benefit. If you file a separate return, the following apply:

- You cannot take the standard deduction if your spouse itemizes deductions.
- You cannot take the credit for child and dependent care expenses in most cases.
- You cannot take the earned income credit.
- You cannot take the credit for the elderly or the disabled if you lived with your spouse at any time in 1989.
- You may have to include in income up to one-half of any social security or equivalent railroad retirement benefits you received in 1989.
- Generally, you report only your own income, exemptions, deductions, and credits. Different rules apply to people in community property states. See page 9.

But you may be able to file as head of household if you had a child living with you, and you lived apart from your spouse during the last 6 months of 1989. See **Married Persons Who Live Apart** on this page.

Head of Household

You may check the box on line 4 **ONLY IF** on December 31, 1989, you were unmarried or legally separated and meet either test 1 or 2 below. The term "unmarried" includes certain married persons who live apart, as discussed on this page.

1. You paid more than half the cost of keeping up a home for the entire year, that was the main home of your **parent** whom you can claim as a dependent. Your parent did not have to live with you in your home; **OR**

2. You paid more than half the cost of keeping up a home in which you lived and in which one of the following also lived for more than 6 months of the year (temporary absences, such as for vacation or school, are counted as time lived in the home):

a. Your **unmarried** child, grandchild, great-grandchild, etc., adopted child, or stepchild. This child does not have to be your dependent. But your foster child must be your dependent.

b. Your **married** child, grandchild, great-grandchild, etc., adopted child, or stepchild. This child must be your dependent. But if your married child's other parent claims him or her as a dependent under the rules on page 8 for **Children of Divorced or Separated Parents,** this child does not have to be your dependent.

c. Any other relative whom you can claim as a dependent. For the definition of a relative, see page 8.

To find out if someone is your dependent, see the instructions for line 6c. To find out what is included in the cost of keeping up a home get **Pub. 501,** Exemptions, Standard Deduction, and Filing Information.

If the person for whom you kept up a home was born, or died, during the year, you may still file as head of household as long as the home was that person's main home for the part of the year he or she was alive.

You **do not** qualify as head of household if your child, parent, or relative described above is your dependent under the rules for **Person Supported by Two or More Taxpayers** (see page 8).

Aid to Families With Dependent Children (AFDC). If you used payments you received under the AFDC program to pay part of the cost of keeping up your home, you cannot count them as money you paid for keeping up your home. Instead, count them as support from someone else.

Married Persons Who Live Apart. Even if you were not divorced or legally separated in 1989, you may be considered unmarried and file as head of household. You may also be able to claim the credit for child and dependent care expenses and the earned income credit. You can take the standard deduction even if your spouse itemizes deductions.

You may check the box on line 4 if **ALL 5** of the following apply:

1. You file a separate return from your spouse, and

2. You lived apart from your spouse during the last 6 months of 1989, and

3. You paid more than half the cost of keeping up your home for 1989, and

4. Your home was the main home of your child, stepchild, adopted child, or foster child for more than 6 months of 1989, and

5. You claim this child as your dependent. However, you do not have to claim this child as your dependent if the child's other parent claims him or her as a dependent under the rules on page 8 for **Children of Divorced or Separated Parents.**

Qualifying Widow(er) With Dependent Child

If your spouse died in 1987 or 1988 and you did not remarry in 1989, you may be able to use joint return tax rates for 1989.

You may check the box on line 5 if you meet **ALL 3** of the following tests:

1. You could have filed a joint return with your spouse the year he or she died, even if you didn't actually do so.

2. Your dependent child, stepchild, adopted child, or foster child lived with you (except for temporary absences, such as for vacation or school).

3. You paid over half the cost of keeping up the home for this child for the whole year.

Do not claim an exemption for your spouse.

If you can't file as qualifying widow(er) with dependent child, go to page 7 to see if you can file as Head of household. Otherwise, you must file as single.

Exemptions

Line 6a

For Yourself

Check the box on line 6a unless someone (such as your parent) can claim you as a dependent.

Line 6b

For Your Spouse

If you file a joint return and your spouse cannot be claimed as a dependent on another person's return, check the box on line 6b. If you file a separate return, you can take an exemption for your spouse only if your spouse is not filing a return, had no income, and cannot be claimed as a dependent on another person's return.

If at the end of 1989 you were divorced or legally separated, you cannot take an exemption for your former spouse. If your divorce was not final (an interlocutory decree), you are considered married for the whole year.

Death of Your Spouse. If your spouse died in 1989 and you did not remarry before the end of 1989, check the box on line 6b if you could have taken an exemption for your spouse on the date of death. For other filing instructions, see **Death of Taxpayer** on page 23.

Nonresident Alien Spouse. If you do not file a joint return, you can take an exemption for your spouse only if your spouse had no income from U.S. sources and is not the dependent of another taxpayer. Check the box on line 6b if you can take an exemption for your spouse and enter "NRA" to the right of the word Spouse on line 6b.

Line 6c

Dependents

You can claim an exemption for each of your dependents who was alive during some part of 1989. This includes a baby born in 1989 or a person who died in 1989. Any person who meets **ALL 5** of the following tests qualifies as your dependent.

Test 1—Relationship

The person must be your relative (see **Exception** at end of **Test 1**). The following are considered your relatives:

- Your child, stepchild, adopted child; a child who lived in your home as a family member, if placed with you by an authorized placement agency for legal adoption; or a foster child (any child who lived in your home as a family member for the whole year).
- Your grandchild, great-grandchild, etc.
- Your son-in-law, daughter-in-law.
- Your parent, stepparent, parent-in-law.
- Your grandparent, great-grandparent, etc.
- Your brother, sister, half brother, half sister, stepbrother, stepsister, brother-in-law, sister-in-law.
- If related by blood, your aunt, uncle, nephew, niece.

Any relationships established by marriage are not treated as ended by divorce or death.

Exception. A person who lived in your home as a family member for the entire year can also be considered a dependent. But the relationship must not violate local law.

Test 2—Married Person

If the person is married, he or she cannot file a joint return. However, if neither the person nor the person's spouse is required to file, but they file a joint return to get a refund of all tax withheld, you may claim him or her if the other 4 tests are met.

Test 3—Citizen or Resident

The person **must have been** a U.S. citizen or resident alien, a resident of Canada or Mexico, or your adopted child who is not a U.S. citizen, but who lived with you all year in a foreign country.

Test 4—Income

Generally, the person's gross income must be less than $2,000. Gross income does not include nontaxable income, such as welfare benefits or nontaxable social security benefits.

Income earned by a permanently and totally disabled person for services performed at a sheltered workshop school is generally not included for purposes of the income test. Get **Pub. 501,** Exemptions, Standard Deduction, and Filing Information, for details.

Exception for Your Child. Your child can have gross income of $2,000 or more if:

a. your child was **under age 19** at the end of 1989, **or**

b. your child was **under age 24** at the end of 1989 **and** qualifies as a **student.**

Your child is a student if he or she:

- was enrolled as a student at a school during any 5 months of 1989 for the number of hours or classes that the school considers to be full-time, or
- took a full-time, on-farm training course during any 5 months of 1989. (The course had to be given by a school or a state, county, or local government agency.)

School includes technical, trade, and mechanical schools. It does not include on-the-job training courses or correspondence schools.

Test 5—Support

The general rule is that you had to provide over half the person's support in 1989. If you file a joint return, support can come from either spouse. If you remarried, the support provided by your new spouse is treated as support coming from you. For exceptions to the support test, see **Children of Divorced or Separated Parents** and **Person Supported by Two or More Taxpayers,** on this page.

Support includes food, a place to live, clothing, medical and dental care, and education. Support also includes items such as a car and furniture, but only if they are for the person's own use or benefit. In figuring support, use the actual cost of these items. However, figure the cost of a place to live at its fair rental value. Include money the person used for his or her own support, even if this money was not taxable. (Examples are gifts, savings, and social security and welfare benefits).

Support **does not** include items such as income and social security taxes, life insurance premiums, scholarships, or funeral expenses.

If you care for a foster child, see **Pub. 501** for special rules that apply.

Children of Divorced or Separated Parents. Special rules apply to determine if the support test is met for children of divorced or separated parents. The rules also apply to children of parents who did not live together at any time during the last 6 months of the year, even if they do not have a separation agreement. For these rules, a **custodial parent** is the parent who had custody of the child for most of the year. A **noncustodial parent** is the parent who had custody for the shorter period or who did not have custody at all.

The general rule is that the custodial parent is treated as having provided over half of the child's support if both parents together paid more than half of the child's support. This means that the custodial parent can claim the child as a dependent if the other dependency tests are also met.

But, if you are the noncustodial parent, you are treated as having provided over half of the child's support and can claim the child as a dependent if **either** 1 or 2 below applies:

1. The custodial parent agrees not to claim the child's exemption for 1989 by signing **Form 8332** or a similar statement. But you (as the noncustodial parent) **must** attach this signed Form 8332 or similar statement to your return. Instead of attaching Form 8332, you can attach a copy of certain pages of your divorce decree or separation agreement, if it went into effect after 1984 (see **Children Who Didn't Live With You Due to Divorce or Separation** on page 9), **OR**

2. Your divorce decree or written separation agreement went into effect before 1985 and it states that you (the noncustodial parent) can claim the child as a dependent. But you must have given at least $600 for the child's support in 1989. Also, you must check the pre-1985 agreement box on line 6d. This rule does not apply if your decree or agreement was changed after 1984 to say that you cannot claim the child as your dependent.

Person Supported by Two or More Taxpayers. Sometimes two or more taxpayers together pay more than half of another person's support, but no one alone pays over half of the support. One of the taxpayers may claim the person as a dependent only if Tests 1 through 4 above are met. In addition, the taxpayer who claims the person as a dependent must:

a. have paid more than 10% of that person's support, and

b. attach to his or her tax return a signed **Form 2120,** Multiple Support Declaration, from every other person who paid more than 10% of the support. This form states that the person who signs it will not claim an exemption in 1989 for the person he or she helped to support.

Columns (1) through (5)

After you have figured out who you can claim as a dependent, fill in the columns on line 6c.

Column (1). Enter the name of each dependent. If you have more than six dependents, attach a statement to your return. Give the same information as in columns (1) through (5) for each dependent.

Column (2). If your dependent was under age 2 on December 31, 1989, put a check mark in column (2).

Column (3). Beginning in 1989, any dependent age 2 or older must have a social security number. You must enter that number in column (3). If you do not enter it or if the number is wrong, you may have to pay a penalty.

Your dependent can get a number by filing **Form SS-5** with a local Social Security Administration office. If your dependent does not have a number when you are ready to file your return, write "Applied for" in column (3). If your dependent lives in Canada or Mexico, see Pub. 501.

Column (5). Enter the number of months your dependent lived with you in 1989. (Temporary absences such as school or vacation are counted as time living in your home.) Enter "12" in this column if your dependent was born, or died, in 1989. If your dependent lived in Canada or Mexico during 1989, don't enter a number. Instead, write the letter "F" (for foreign).

Children Who Didn't Live With You Due to Divorce or Separation. If you are claiming a child who didn't live with you under the rules for **Children of Divorced or Separated Parents** (see page 8), enter the total number of such children on the line to the right of line 6c labeled "No. of your children on 6c who: didn't live with you due to divorce or separation." If you put a number on this line, you **must** do one of the following:

- Check the box on line 6d if your divorce decree or written separation agreement was in effect before 1985, and it states that you can claim the child as your dependent.
- Attach **Form 8332** or similar statement to your return. If your divorce decree or separation agreement went into effect after 1984 and it states that you can claim the child as your dependent, you may attach a copy of the following pages from the decree or agreement instead of Form 8332:

1. Cover page (write the other parent's social security number on this page), and
2. The page that states you can claim the child as your dependent, and
3. Signature page showing the date of the agreement.

Other Dependent Children. Enter the total number of children who did not live with you for reasons other than divorce or separation on the line labeled "No. of **other** dependents listed on 6c." Include dependent children who lived in Canada or Mexico during 1989.

Income

Examples of Income You Do Not Report

(Do not include these amounts when you decide if you must file a return.)

Welfare benefits.

Disability retirement payments (and other benefits) paid by the Veterans' Administration.

Workers' compensation benefits, insurance damages, etc., for injury or sickness.

Child support.

Gifts, money, or other property you inherited or that was willed to you.

Dividends on veterans' life insurance.

Life insurance proceeds received because of a person's death.

Amounts you received from insurance because you lost the use of your home due to fire or other casualty to the extent the amounts were more than the cost of your normal expenses while living in your home. (Report as income reimbursements for normal living expenses.)

Certain amounts received as a scholarship (see the instructions for line 7).

Cancellation of certain student loans if, under the terms of the loan, the student performs certain professional services for any of a broad class of employers (get **Pub. 520**, Scholarships and Fellowships).

Examples of Income You Must Report

The following kinds of income should be reported on Form 1040, or related forms and schedules, in addition to the types of income listed on Form 1040, lines 7 through 21b. You may need some of the forms and schedules mentioned below.

Scholarship and fellowship amounts. (See the instructions for line 7.)

Original Issue Discount (Schedule B).

Distributions from SEPs and DECs.

Amounts received in place of wages, from accident and health plans (including sick pay and disability pensions) if your employer paid for the policy.

Bartering income (fair market value of goods or services you received in return for your services).

Tier 2 and supplemental annuities under the Railroad Retirement Act.

Life insurance proceeds from a policy you cashed in if the proceeds are more than the premium you paid.

Your share of profits from S corporations, partnerships, estates and trusts (Schedule E).

Endowments.

Lump-sum distributions (Form 4972). (See page 13.)

Gains from the sale or exchange (including barter) of real estate, securities, coins, gold, silver, gems, or other property (Schedule D or Form 4797).

Gains from the sale of your main home (Schedule D and Form 2119).

Accumulation distributions from trusts (Form 4970).

Prizes and awards (contests, raffles, lottery, and gambling winnings).

Earned income from sources outside the United States (Form 2555).

Director's fees.

Fees received as an executor or administrator of an estate.

Embezzled or other illegal income.

U.S. Citizens Living Abroad

Generally, foreign source income must be reported. Get **Pub. 54**, Tax Guide for U.S. Citizens and Resident Aliens Abroad, for more details.

Community Property States

Community property states are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin.

If you and your spouse live in a community property state, you must follow state law to determine what is community income and what is separate income. However, different rules could apply if:

- you and your spouse lived apart all year,
- you do not file a joint return, and
- none of the community income you earn is transferred to your spouse.

For details, get **Pub. 555,** Community Property and the Federal Income Tax.

Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your return and schedules. To do so, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, $1.39 becomes $1 and $2.50 becomes $3.

If you do round off, do so for all amounts. However, if you have to add two or more amounts to figure the amount to enter on a line, include cents when adding and only round off the total. **Example.** You received two W-2 forms, one showing wages of $5,000.55 and one showing wages of $18,500.73. On Form 1040, line 7, you would enter $23,501 ($5,000.55 + $18,500.73 = $23,501.28).

Line 7

Wages, Salaries, Tips, Etc.

Show the total of all wages, salaries, fees, commissions, tips, bonuses, supplemental unemployment benefits, and other amounts you were paid before taxes, insurance, etc., were taken out. For a joint return, be sure to include your spouse's income on line 7.

Include in this total:

- The amount that should be shown in Box 10 on **Form W-2**. Report all wages, salaries, and tips you received, even if you do not have a Form W-2.
- Tips received that you did not report to your employer. (Show any social security tax due on these tips on line 51—see the instructions on page 18.)

You must report as income the amount of allocated tips shown on your W-2 form(s) unless you can prove a lesser amount with adequate records. For information on allocated tips, get **Pub. 531,** Reporting Income From Tips.

- Corrective distributions of excess salary deferrals.
- Corrective distributions of excess contributions and excess aggregate contributions to a retirement plan.
- Disability pensions if you have not reached the minimum retirement age set by your employer.

***Note:** Except for those disability pensions mentioned above, pensions shown on **Form W-2P** (other than payments from an IRA) are reported on lines 17a and 17b of Form 1040. Payments from an IRA are reported on lines 16a and 16b.*

- Payments by insurance companies, etc., not included on Form W-2. If you received sick pay or a disability payment from

anyone other than your employer, and it is not included in the wages shown on Form W-2, include it on line 7. Attach a statement showing the name and address of the payer and amount of sick pay or disability income. (Get **Form W-4S** for details on withholding of Federal income tax from your sick pay.)

- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. Don't report the value of meals given you at work if they were provided for your employer's convenience. Also don't report the value of living quarters you had to accept on your employer's business premises as a condition of employment.
- Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods received. Don't report benefits that were gifts.
- Any amount your employer paid for your moving expenses (including the value of services furnished in kind) that is not included in Box 10 on Form W-2.

Note: *You must report on line 7 all wages, salaries, etc., paid for your personal services, even if the income was signed over to a trust (including an IRA), another person, a corporation, or a tax-exempt organization.*

For more details on reporting income received in the form of goods, property, meals, stock options, etc., get **Pub. 525,** Taxable and Nontaxable Income.

Employer-Provided Vehicle. If you used an employer-provided highway motor vehicle for both personal and business purposes and 100% of the fair rental value of the vehicle was included in the wages box (Box 10) of your W-2 form, you can deduct the business use of the vehicle. But you must use **Form 2106,** Employee Business Expenses, to do so. (The total fair rental value of the vehicle should be shown in Box 16a of your W-2 form or on a separate statement.) For more details, get Pub. 525.

Excess Salary Deferrals. If you chose to have your employer contribute part of your pay to certain retirement plans (such as a 401(k) or the Federal Thrift Savings Fund) instead of having it paid to you, your W-2 form should have the "Deferred compensation" box in Box 5 checked. The amount deferred should be shown in Box 16. The total amount that may be deferred for 1989 under **all** plans is generally limited to $7,627. But amounts deferred under a tax-sheltered annuity plan may have a higher limit. Get **Pub. 575,** Pension and Annuity Income (Including Simplified General Rule), for details. Any amount deferred in excess of these limits must be reported on Form 1040, line 7.

Employer-Provided Dependent Care Benefits (DCB). If you received benefits under your employer's dependent care plan, you may be able to exclude part or all of them from your income. But you must use **Form 2441,** Child and Dependent Care Expenses, to do so. The benefits should be separately shown on your W-2 form(s) and labeled as "DCB."

First, go to Form 2441 and complete Parts I and III. Line 21 of that form shows any excluded benefits. Line 22 shows the taxable benefits, if any. Include the taxable benefits from line 22 on Form 1040, line 7. On the dotted line next to line 7, write "DCB."

Scholarships and Fellowships. If you received a scholarship or fellowship, part of it may be taxable even if you didn't receive a W-2 form.

If you were a degree candidate and the scholarship or fellowship was granted **after** August 16, 1986, the amounts you used for expenses other than tuition and course-related expenses are taxable. For example, amounts used for room, board, and travel are taxable.

Include the taxable amount on line 7. Then write "SCH" and the taxable amount not reported on a W-2 form on the dotted line next to line 7.

If the scholarship or fellowship was granted **on or before** August 16, 1986, or if you were not a degree candidate, get **Pub. 520** to see how much may be taxable and how to report it.

Line 8a

Taxable Interest Income

Report **ALL** of your taxable interest income on line 8a, even if it is $400 or less. If the total is more than $400, first fill in Schedule B (see page 27).

Report any interest you received or that was credited to your account so you could withdraw it even if it wasn't entered in your passbook.

The payer should send you a **Form 1099-INT** or, if applicable, a **Form 1099-OID** for this interest. A copy of the form is also sent to IRS.

If you received, as a nominee, interest that actually belongs to someone else, see Schedule B instructions on page 27.

Caution: *Be sure each payer of interest income has your correct social security number. Otherwise, the payer may withhold 20% of the interest. You may also be subject to penalties.*

Interest credited in 1989 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 1989 income. For details, get **Pub. 550,** Investment Income and Expenses.

Examples of Taxable Interest Income You MUST Report

Report interest from:

- Accounts (including certificates of deposit and money market accounts) with banks, credit unions, and savings and loan associations.
- Building and loan accounts.
- Notes, loans, and mortgages. Special rules apply to loans with below-market interest rates. Get **Pub. 545,** Interest Expense.
- Tax refunds. Report only the interest on them as interest income.
- Bonds and debentures. Also arbitrage bonds issued by state and local governments after October 9, 1969. (Report interest on other state and local bonds and securities on line 8b.) Also report as interest on line 8a any gain on the disposition of certain market discount bonds issued to you after July 18, 1984, to the extent of the accrued market discount. For taxable bonds acquired after December 31, 1987, reduce your interest income on the bonds by the amount of any amortizable bond premium. **Do not** deduct the premium as interest expense on Schedule A. See Schedule B instructions on page 27.
- U.S. Treasury bills, notes, and bonds.
- U.S. Savings Bonds. The interest is the yearly increase in the value of the bond. Interest on Series E or EE bonds can be reported using method **a** or **b** below:

a. Report the total interest when you cash the bonds, or when they reach final maturity and no longer earn interest; **OR**

b. Each year report on your return the yearly increase in the bonds' value.

If you change to method **b**, report the entire increase in all your bonds from the date they were issued. Each year after report only the yearly increase. You may not change to method **a** unless you complete **Form 3115** and attach it to your tax return. See Pub. 550 for details.

Note: *If you receive a 1989 Form 1099-INT for U.S. Savings Bond interest that includes amounts you reported before 1989, see Pub. 550.*

- Original Issue Discount (OID). This is the difference between the issue price of a debt instrument and the stated redemption price at maturity. If the instrument was issued at a discount after May 27, 1969 (or for certain noncorporate instruments after July 1, 1982), include in your interest income the discount for the part of the year you held it. The taxable OID may be more or less than the amount shown on Form 1099-OID.

If you bought a corporate debt instrument at original issue and held it for all of 1989 or the part of 1989 that it was outstanding, include in interest income the total OID from Form 1099-OID. Get **Pub. 1212,** List of Original Issue Discount Instruments, to figure the taxable OID for other corporate debt instruments and noncorporate debt instruments (such as zero coupon U.S. Treasury-backed securities).

If you had OID for 1989, but did not receive Form 1099-OID, or if the price you paid for the instrument is more than the issue price plus accumulated OID, see Pub. 1212. It provides total OID on the instruments listed and gives computational information.

Also include in your interest income any other periodic interest shown on Form 1099-OID.

Line 8b

Tax-Exempt Interest Income

If you received any tax-exempt interest (such as from municipal bonds) report it on line 8b. Include in this amount any exempt-interest dividends from a mutual fund or other regulated investment company. **Do not** report interest earned on your IRA on line 8b.

Line 9

Dividend Income

Dividends are distributions of money, stock, or other property that corporations pay to stockholders. They also include dividends you receive through a partnership, an S corporation, or an estate or trust. Payers include nominees or other agents. The payer should send you a **Form 1099-DIV.** A copy of this form is also sent to the IRS.

If you received, as a nominee, dividends that actually belong to someone else, see Schedule B instructions on page 27.

Caution: *Be sure each payer of dividends has your correct social security number. Otherwise, the payer may withhold 20% of the dividend income. You may also be subject to penalties.*

If your total gross dividends (Form 1099-DIV, Box 1a) are more than $400, first fill in Schedule B (see page 27). If you received $400 or less in dividends, include on line 9 only ordinary dividends and any investment expenses shown in Box 1e of Form 1099-DIV.

Dividends Include:

- **Ordinary dividends.** These are shown on Form 1099-DIV, Box 1b.
- **Capital gain distributions.** These are shown on Form 1099-DIV, Box 1c. If you have other capital gains or losses, also enter your capital gain distributions on Schedule D. If you don't need Schedule D to report any other gains or losses, see the instructions for lines 13 and 14.
- **Nontaxable distributions.** Some distributions are nontaxable because they are a return of your cost. They will not be taxed until you recover your cost. You must reduce your cost (or other basis) by these distributions. After you get back all of your cost (or other basis), you must report these distributions as capital gains. For details, get Pub. 550. Form 1099-DIV shows nontaxable distributions in Box 1d.

Note: *Generally, payments from a money market fund are dividends.*

Do Not Report as Dividends

- Mutual insurance company dividends that reduced the premiums you paid.
- Amounts paid on deposits or accounts from which you could withdraw your money, such as mutual savings banks, cooperative banks, and credit unions. Remember to report these amounts as interest on line 8a.

Line 10

Taxable Refunds of State and Local Income Taxes

If you received a refund, credit, or offset of state or local income taxes in 1989 that you paid and deducted before 1989, you may have to report all or part of this amount as income if your itemized deduction for state and local income taxes in the year you paid the taxes resulted in a tax benefit. You may receive Form 1099-G, or similar statement, showing the refund.

Any part of a refund of state or local income taxes paid before 1989 that you were entitled to receive in 1989 but chose to apply to your 1989 estimated state income tax is considered to have been received in 1989.

Do not report the refund as income if it was for a tax you paid in a year for which you did not itemize deductions on Schedule A (Form 1040), or it was for a year in which you filed Form 1040A or Form 1040EZ.

If the refund was for a tax you paid in 1988 and you itemized deductions on Schedule A for 1988, use the worksheet below to figure the amount, if any, you must report as income for 1989.

But, see **Recoveries** in **Pub. 525**, Taxable and Nontaxable Income, instead of using the worksheet below if any of the following applies:

- The refund you received in 1989 is for a tax year other than 1988.
- You received a refund (other than an income tax refund, such as a real property tax refund) in 1989 of an amount deducted or credit claimed in an earlier year.
- Your 1988 taxable income was less than zero.
- Your last payment of 1988 estimated state income tax was made in 1989.
- You were liable for the alternative minimum tax in 1988.
- You could not deduct the full amount of credits you were entitled to in 1988 because total credits exceeded tax shown on your 1988 Form 1040, line 40.
- You could be claimed as a dependent by someone else in 1988.

Worksheet for State and Local Income Tax Refunds (Keep for your records)

1. Enter the income tax refund from **Form(s) 1099-G** (or similar statement) . . . . . _____
2. Enter the amount from your 1988 Schedule A, line 26 . . . . . _____
3. Enter on line 3 the amount shown below for the filing status you claimed on your 1988 Form 1040.
   - Single, enter $3,000
   - Married filing jointly or Qualifying widow(er), enter $5,000
   - Married filing separately, enter $2,500
   - Head of household, enter $4,400

   . . . _____
4. If you (or your spouse if you filed a joint return) were 65 or older or blind at the end of 1988, multiply the number on your 1988 Form 1040, line 33a, by $600 ($750 if your filing status on your 1988 Form 1040 was single or head of household). Otherwise, enter zero . . . . . _____
5. Add lines 3 and 4. Enter the total _____
6. Subtract line 5 from line 2. Enter the result (but not less than zero) _____
7. **Taxable part of your refund.** Compare the amounts on lines 1 and 6 above. Enter the **smaller** of the two amounts here and on Form 1040, line 10 . . . . . _____

Line 11

Alimony Received

Enter amounts you received as alimony or separate maintenance. You must let the person who made the payments know your social security number. If you don't, you may have to pay a $50 penalty. For more details, get **Pub. 504,** Tax Information for Divorced or Separated Individuals.

If you received payments under a divorce or separation instrument executed after 1984, see the instructions for line 29 on page 15 for information on the rules that apply in determining whether these payments qualify as alimony.

Lines 13 and 14

Capital Gain or (Loss)

Enter on line 13 your capital gain or (loss) from Schedule D. If you received **capital gain distributions** but do not need Schedule D for other capital transactions, enter those distributions on line 14.

Caution: *At the time these instructions were printed, Congress was considering legislation that could change some of the rules that apply to Schedule D and these instructions. When Congress completes its action, we will take the steps necessary to publicize the final rules.*

Line 15

Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the Instructions for **Form 4797.** Enter the ordinary gain or (loss) from Part II of Form 4797.

Lines 16a and 16b

IRA Distributions

Use lines 16a and 16b to report individual retirement arrangement (IRA) distributions you received. This includes regular distributions, early distributions, rollovers, and any other money or property you received from your IRA account or annuity. Generally, you will receive either a **Form 1099-R** or a **Form W-2P** showing the amount of your distribution. **Caution:** If you received an early distribution or excess distribution, you may have to pay an additional tax. Get **Form 5329.**

IRA distributions that you must include in income are taxed at the same rate as other income. You may not use the special averaging rule for lump-sum distributions from qualified employer plans. If your distribution is fully taxable, enter it on line 16b; no entry is required on line 16a. If only part is taxable, enter the total amount on line 16a; enter the taxable part on line 16b. If you made nondeductible contributions to your IRA or rolled your IRA distribution over into another IRA, see below.

Nondeductible Contributions. If you received an IRA distribution in 1989, and you made any nondeductible contributions for 1989 or for an earlier year, part of your distribution may be nontaxable.

If you made any nondeductible contributions for 1989, get **Pub. 590,** Individual Retirement Arrangements (IRAs), and Form 8606 to figure the taxable part of your IRA distribution. Enter the total amount on line 16a; enter the taxable part on line 16b.

If all of your nondeductible contributions were made for earlier years, use Form 8606 to figure the nontaxable part of your distribution. Follow the instructions for Form 8606, line 11, to figure the taxable part to enter on Form 1040, line 16b. Enter the total amount on line 16a.

Rollovers. A rollover is a tax-free transfer of cash or other assets from one retirement program to another. Use lines 16a and 16b to report a rollover from one IRA to another IRA. But do not use lines 16a or 16b to report a rollover from a qualified employer's

plan to an IRA; use lines 17a and 17b instead.

Enter the total distribution on line 16a. If the total on line 16a was rolled over, enter zero on line 16b. Otherwise, enter the part that was not rolled over on line 16b.

For more details, see Pub. 590.

Lines 17a and 17b

Pensions and Annuities

Use lines 17a and 17b to report pension and annuity income you received. Also, use these lines to report distributions from profit-sharing plans, retirement plans and employee-savings plans. See below for information on rollovers. See page 13 if you received a lump-sum distribution. You should receive a **Form W-2P** or **Form 1099-R** showing the amount of your pension or annuity. Be sure to attach Form W-2P to Form 1040.

Do not use lines 17a and 17b to report corrective distributions of excess salary deferrals, excess contributions, or excess aggregate contributions from retirement plans. Instead, see the instructions for line 7. Also, **do not** use lines 17a and 17b to report any social security or railroad retirement benefits shown on **Forms SSA-1099** and **RRB-1099.** Instead, see the instructions for lines 21a and 21b.

Fully Taxable Pensions and Annuities

Your pension or annuity payments are fully taxable if you did not contribute to the cost of your pension or annuity, or you used the 3-Year Rule and you got back tax-free your entire cost before 1989.

Fully taxable pensions and annuities also include military retirement pay shown on Form W-2P, and any taxable railroad retirement benefits from Box 12 of **Form RRB-W-2P.** If you received Form RRB-W-2P and an amount is shown in Box 13 of your form, get **Pub. 575,** Pension and Annuity Income (Including Simplified General Rule), to see how to report your benefits.

If your pension or annuity is fully taxable, enter it on line 17b; no entry is required on line 17a.

For information on military disability pensions, get **Pub. 525.**

Pensions and Annuities That Are Not Fully Taxable

If your pension or annuity is not fully taxable, the method you use to figure the taxable part depends on your annuity starting date. Once you have figured the taxable part of your pension or annuity, enter the total amount on line 17a; enter the taxable part on line 17b.

Annuity Starting Date Was After July 1, 1986. If your annuity starting date was **after** July 1, 1986, and your Form W-2P does not show the taxable part of your pension or annuity, you must use the General Rule to figure the taxable part, unless you qualify to use the Simplified General Rule explained below. The General Rule is explained in **Pub. 939,** Pension General Rule (Nonsimplified Method). If you choose to, you may submit a ruling request to IRS before the due date of your return (including extensions), and IRS will figure the taxable part for you for a $50 fee. See Pub. 939 for details on how to do this.

If your Form W-2P shows a taxable amount, you may report on line 17b the taxable amount shown on Form W-2P or, if you qualify, you may complete the worksheet on this page to see if it gives you a lower taxable amount. Read the instructions that follow to see if you qualify to use the worksheet.

Simplified General Rule. Using this method will usually result in at least as much of the pension or annuity being tax-free each year as under the General Rule or as figured by IRS. You qualify for this simpler method if:

- The annuity payments are for (a) your life, or (b) your life and that of your beneficiary, and
- The annuity payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity, and
- At the time the payments began, either you were under age 75, or, if you were 75 or older, the number of years of guaranteed payments was fewer than 5.

If you qualify, use the worksheet below to figure the taxable part of your pension or annuity. If you are a beneficiary entitled to a death benefit exclusion, add the exclusion to the amount you enter on line 2 of the worksheet below even if you received a Form W-2P showing a taxable amount. (The payer of the annuity cannot add the death benefit exclusion to your cost when figuring the taxable amount.) Attach a signed statement to your return stating that you are entitled to a death benefit exclusion. For details on the Simplified General Rule, see Pub. 575.

Age at Annuity Starting Date. If you are the retiree, use your age on the annuity starting date. If you are the survivor of a retiree, use the retiree's age on his or her annuity starting date. If you are the beneficiary of an employee who died, get Pub. 575.

***Note:** If there is more than one beneficiary, see Pub. 575 or **Pub. 721,** Tax Guide to U.S. Civil Service Retirement Benefits, to figure each beneficiary's taxable amount.*

Changing Methods. In some cases you may be able to change the way you figure the taxable part of your pension. For more information, see Pub. 575 or Pub. 721.

Annuity Starting Date Was Before July 2, 1986. If your annuity starting date was **before** July 2, 1986, you cannot use the Simplified General Rule. Continue to report your annuity payments under either the 3-Year Rule or the General Rule, whichever applies. See Pub. 575 or Pub. 721.

***Caution:** Certain transactions, such as loans against your interest in a qualified plan, may be treated as taxable distributions and may also be subject to penalties. For details, see Pub. 575.*

Death Benefit Exclusion

If you are the beneficiary of a deceased employee or deceased former employee, amounts paid to you by, or on behalf of, an employer because of the death of the employee may qualify for a death benefit exclusion of up to $5,000. If you are entitled to this exclusion, add it to the cost of the pension or annuity.

Special rules apply if you are the survivor under a joint and survivor's annuity. For details, see Pub. 575.

Rollovers

A rollover is a tax-free transfer of cash or other assets from one retirement program to another. Use lines 17a and 17b to report a rollover from one qualified employer's plan to another, or to an IRA.

Distributions that may be rolled over are generally reported to you on Form 1099-R

Worksheet for Simplified General Rule (Keep for your records)

1. Enter the total pension received this year. Also enter this amount on Form 1040, line 17a . . . . . _____
2. Enter your cost in the plan, including any death benefit exclusion . . _____
3. Age at annuity starting date: (see instructions above)

	Enter:	
55 and under	300	
56–60	260	
61–65	240	. . . . . _____
66–70	170	
71 and older	120	

4. Divide the amount on line 2 by the number on line 3, and round to two decimal places . . . . . _____
5. Multiply line 4 by the number of months for which this year's payments were made . . . . . _____
6. **Taxable pension for year.** Subtract line 5 from line 1. Enter the result but not less than zero. Also enter this amount on Form 1040, line 17b. If your Form W-2P shows a larger taxable amount, use the amount on this line instead of the amount from Form W-2P. . . . _____

   Remaining cost to be recovered in tax years after 1989. (Fill out only if your annuity starting date was **after** December 31, 1986.)
7. Enter the amount from line 2 . . . . . _____
8. Enter the amount from line 5 plus any amount recovered tax-free in 1987 and 1988 . . . . . _____
9. **Your remaining cost.** Subtract line 8 from line 7 . . . . . _____

***Note:** If you had more than one pension or annuity that is not fully taxable, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 17b.*

or Form W-2P. Enter the total distribution on line 17a. If the total on line 17a (less any "after tax" contributions) was rolled over, enter zero on line 17b. Otherwise, enter the taxable part of the distribution that was not rolled over on line 17b. Special rules apply to partial rollovers of property.

For details on rollovers, including distributions under qualified domestic relations orders, get Pub. 575.

Lump-Sum Distributions

If you received a lump-sum distribution from a profit-sharing or retirement plan, you should receive a **Form 1099-R** showing the amount of the distribution. If you received an early distribution or excess distribution from a qualified retirement plan, you may owe additional tax. For details, get Form 5329.

Enter the total distribution on line 17a and the taxable part on line 17b unless:

- You elect to report the capital gain part shown on Form 1099-R, Box 3, on Schedule D (see the instructions for Schedule D); or
- You reached age 50 before 1986, you meet certain other conditions, and you use **Form 4972,** Tax on Lump-Sum Distributions, to figure the tax on any part of the distribution. In these cases, you may pay less tax on the distribution. For details, get Form 4972.

If you use Form 4972 to figure the tax on any part of your distribution, do not include that part of the distribution on line 17a or b of Form 1040.

Line 20

Unemployment Compensation

Unemployment compensation (insurance) is fully taxable. By January 31, 1990, you should receive a **Form 1099-G** showing the total unemployment compensation paid to you during 1989.

Use line 20 to report the unemployment compensation you received. If you received an overpayment of unemployment compensation in 1989 and you repaid it in 1989, subtract the amount you repaid from the total amount you received and enter the result on line 20. Also write "repayment" and the amount you repaid on the dotted line next to line 20.

Note: *Supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund are wages. Report them on line 7.*

Lines 21a and 21b

Social Security and Equivalent Railroad Retirement Benefits

Social security benefits you receive may be taxable in some instances. Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a tier 1 railroad retirement benefit treated as a social security benefit. Social security benefits do not include any Supplemental Security Income (SSI) payments.

By January 31, 1990, you should receive a **Form SSA-1099** showing the total social security benefits paid to you in 1989, and the amount of any social security benefits you repaid in 1989. If you received railroad retirement benefits treated as social security, you should receive **Form RRB-1099.** For more details, get **Pub. 915,** Social Security Benefits and Equivalent Railroad Retirement Benefits.

Use the worksheet on this page to see if any of your benefits are taxable, but **please note** the following before you begin.

- You will first need to complete Form 1040, lines 7 through 20, 22, and 30 if they apply to you, to figure the taxable part, if any, of your benefits.

Caution: *If you made IRA contributions for 1989 and you were covered by a retirement plan at work, you may need to make a special computation. Get* ***Pub. 590*** *for details.*

- If you repaid any benefits in 1989, and your total repayments (Box 4) were more than your total benefits for 1989 (Box 3), **do not** use the worksheet below. None of your benefits are taxable for 1989. But you may be able to take an itemized deduction for part of the excess repayments if they were for benefits you included in gross income in an earlier year. Get Pub. 915.
- If you file **Form 2555,** Foreign Earned Income, or **Form 4563,** Exclusion of Income for Bona Fide Residents of American Samoa, or you exclude income from sources within Puerto Rico, use the worksheet in Pub. 915 instead of the one below.

Line 22

Other Income

Use line 22 to report any income you can't find a place for on your return or other schedules. List the type and amount of income. If necessary, show the required information on an attached statement. For more information, see **Miscellaneous Taxable Income** in **Pub. 525,** Taxable and Nontaxable Income.

Caution: *Do not report any income from self-employment on line 22. If you do have any income from self-employment, you must use Schedule C or Schedule F.*

Examples of income to be reported on line 22 are:

- Prizes, awards, and gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings. You must report the full amount of your winnings on this line. You cannot offset losses against winnings and report the difference.

If you had any gambling losses, you may take them as an itemized deduction on Schedule A. However, you cannot deduct more losses than the winnings you report.

- Amounts you received for medical expenses or other items such as real estate taxes that you deducted in an earlier year if they reduced your tax. See Pub. 525 for information on how to figure the amount to include in income.
- Amounts you recovered on bad debts that you deducted in an earlier year.
- Fees received for jury duty and precinct election board duty. You may be able to deduct part or all of your jury duty pay. See the instructions for line 30.

Net Operating Loss. If you had a net operating loss in an earlier year to carry forward to 1989, enter it as a minus figure in parentheses on line 22. Attach a statement showing how you figured the amount. Get **Pub. 536,** Net Operating Losses, for more details.

Social Security Benefits Worksheet (Keep for your records)

Check only one box

- ☐ **A.** Single, Head of household, or Qualifying widow(er) with dependent child
- ☐ **B.** Married filing a joint return
- ☐ **C.** Married filing a separate return and you lived with your spouse at any time in 1989
- ☐ **D.** Married filing a separate return and you did **not** live with your spouse at any time in 1989. If you checked this box, write "D" on the dotted line next to line 21a.

1. Enter the total amount from **Box 5** of **ALL** your **Forms SSA-1099 and Forms RRB-1099** (if applicable) . . . . . _____
2. ***Note:*** *If line 1 is zero or less, stop here; none of your benefits are taxable. Otherwise, go on to line 2.*
   Divide the amount on line 1 above by 2 . . . . . _____
3. Add the amounts on Form 1040, lines 7, 8a, 8b, 9 through 15, 16b, 17b, 18 through 20, plus line 22. Do not include here any amounts from Box 5 of Forms SSA-1099 or RRB-1099 . . . . . _____
4. Add lines 2 and 3 . . . . . _____
5. Enter the total adjustments from Form 1040, line 30 . . . . . _____
6. Subtract line 5 from line 4 . . . . . _____
7. Enter { $25,000 if you checked Box **A** or **D,** or / $32,000 if you checked Box **B,** or / -0- if you checked Box **C** } . . . . . _____
8. Subtract line 7 from line 6. Enter the result, but not less than zero . . . . _____

Note: *If line 8 is zero, stop here. None of your benefits are taxable. Do not enter any amounts on lines 21a or 21b unless you checked Box D above. If you checked Box D, enter -0- on line 21b and write "D" on the dotted line next to line 21a. If line 8 is more than zero, go on to line 9.*

9. Divide the amount on line 8 above by 2 . . . . . _____
10. **Taxable social security benefits.**
    - First, enter on Form 1040, line 21a, the amount from line 1 above.
    - Then, compare the amounts on lines 2 and 9 above. Enter the **smaller** of the two amounts here and on Form 1040, line 21b . . . . . _____

Note: *If part of your benefits are taxable for 1989* ***AND*** *they include benefits paid in 1989 that were for 1984 through 1988, you may be able to reduce the taxable amount shown on the worksheet. Get Pub. 915 for details.*

Adjustments to Income
Lines 24 and 25

Individual Retirement Arrangement (IRA) Deduction

Enter your IRA deduction on line 24. If you file a joint return, enter your spouse's deduction on line 25.

Were You Covered by an Employer Retirement Plan?

If you were covered by a retirement plan (qualified pension, profit-sharing, annuity, Keogh, SEP, etc.) at work or through self-employment in 1989, your IRA deduction may be reduced or eliminated. But you can still make contributions to an IRA even if you can't deduct them. In any case, the income earned on your IRA contributions is not taxed until it is paid to you.

The "Pension plan" box in Box 5 of your Form W-2 should be checked if you were covered by a plan. This box should be checked even if you were not vested in the plan. You are also covered by a plan if you are self-employed and have a Keogh retirement plan.

Special Rule for Married Individuals Who File Separate Returns. If you were not covered by a retirement plan but your spouse was, you are considered covered by a plan if you lived with your spouse at any time in 1989. See the chart on this page to find out if you can take a deduction, and, if you can, which worksheet to use.

Not Covered by a Retirement Plan. If you (and your spouse if filing a joint return) were not covered by a plan at work, use **Worksheet 1** to figure your deduction.

Covered by a Retirement Plan. If you (or your spouse if filing a joint return) were covered by a plan at work, see the chart on this page. It will tell you if you can take a deduction and, if you can, which worksheet to use.

Nondeductible Contributions. You can make nondeductible contributions to your IRA. You can do this even if you are allowed to deduct your contributions. Your nondeductible contribution is the difference between the total allowable contributions to your IRA and the amount you deduct.

Example: You file as single and paid $2,000 into your IRA. You were covered by a retirement plan and your modified AGI is over $35,000 (all wages). You can't deduct the $2,000. But you can treat it as a nondeductible contribution.

Use **Form 8606** to report all contributions you treat as nondeductible. Also use it to figure the basis (nontaxable part) of your IRA. If you and your spouse each make nondeductible contributions, each of you must complete a separate Form 8606.

***Note:** If you file **Form 2555,** Foreign Earned Income, get **Pub. 590** to figure your IRA deduction.*

Read the following list before you do your worksheet.

- You will first need to complete Form 1040 through line 23, lines 26 through 29, and figure any write-in amount included on line 30, to figure your IRA deduction and, if applicable, nondeductible contributions.
- If you made contributions to your IRA in 1989 that you deducted for 1988, **do not** include them in the worksheet.
- If you make contributions to your IRA in 1990 (by April 16) for 1989, include them in the worksheet.
- Your IRA deduction can't be more than the total of your wages and other earned income.
- If the total of your IRA deduction on Form 1040 plus any nondeductible contribution on your Form 8606 is less than your total IRA contributions for 1989, see Pub. 590 for special rules.
- You must file a joint return to deduct contributions to your nonworking spouse's IRA. A **nonworking spouse** is one who had no wages or other earned income in 1989, or a working spouse who chooses to be treated as having no earned income for figuring the deduction.
- Do not include rollover contributions in figuring your deduction. See the instructions for lines 16a and 16b on page 11 for more details on rollover contributions.
- Do not include trustee's fees that were billed separately and paid by you for your IRA. These fees can be deducted only as an itemized deduction on Schedule A.
- Alimony payments received under certain divorce or separation instruments are considered earned income for purposes of the IRA deduction. See Pub. 590.
- If you were married and both spouses worked and both had IRAs, figure each spouse's deduction separately.
- You should receive a statement by May 31, 1990, that shows all contributions to your IRA for 1989.

IRA Worksheet 1 (Keep for your records)

1. Enter IRA contributions you made for 1989, but **do not** enter more than $2,000 . . . . . _____
2. Enter your wages and other earned income from Form 1040, minus any deduction you claim on Form 1040, line 27. (Do not include your spouse's income and do not reduce your wages by losses from self-employment.) . _____
3. Compare the amounts on lines 1 and 2. Enter the **smaller** of the two amounts on line 3. Enter on Form 1040, line 24 or 25, whichever applies, the amount on line 3 you choose to deduct. If contributions were made to your nonworking spouse's IRA, go on to line 4 . . . . . _____

Nonworking spouse's IRA

4. Compare the amount on line 2 to $2,250. Enter the **smaller** of the two amounts . . . . . _____
5. Enter the amount from line 3 . _____
6. Subtract line 5 from line 4. Enter the result . . . . . _____
7. Enter IRA contributions made for 1989 for your nonworking spouse, but **not more than** $2,000 . . . . . _____
8. Compare the amounts on lines 6 and 7. Enter the **smaller** of the two amounts on line 8. Enter on Form 1040, line 25, the amount on line 8 you choose to deduct . _____

If you (or your spouse if filing a joint return) **were covered by a retirement plan* and—**

Your filing status is:	and your modified AGI** is:	You can take:
Single, Head of household, or Married filing separately and did **not** live with your spouse in 1989	$25,000 or less	Full IRA deduction (use **Worksheet 1**)
	Over $25,000 but less than $35,000	Partial IRA deduction (use **Worksheet 2**)
	$35,000 or more	No IRA deduction (see Nondeductible Contributions)
Married filing jointly or Qualifying widow(er) with dependent child	$40,000 or less	Full IRA deduction (use **Worksheet 1**)
	Over $40,000 but less than $50,000	Partial IRA deduction (use **Worksheet 2**)
	$50,000 or more	No IRA deduction (see Nondeductible Contributions)
Married filing separately and lived with your spouse in 1989	Over $ -0- but less than $10,000	Partial IRA deduction (use **Worksheet 2**)
	$10,000 or more	No IRA deduction (see Nondeductible Contributions)

** If married filing separately and you were not covered by a plan but your spouse was, you **are** considered covered by a plan if you lived with your spouse at any time in 1989.*

*** **Modified AGI (adjusted gross income)** is the amount on Form 1040, line 23, minus the total of any deductions claimed on Form 1040, lines 26 through 29, and any write-in amount included on line 30.*

IRA Worksheet 2 (Keep for your records)

1. If you checked Filing Status box: { 1 or 4, enter $35,000 / 2 or 5, enter $50,000 / 3, enter $10,000 ($35,000 if you did **not** live with your spouse at any time in 1989) } _____
2. Enter the amount from Form 1040, line 23 . . . . . _____
3. Add amounts on Form 1040, lines 26 through 29, and any write-in amount included on line 30 . . _____
4. Subtract line 3 from line 2. If this amount is equal to or larger than the amount on line 1, none of your IRA contributions are deductible. Stop here. If you want to make a nondeductible IRA contribution, see Form 8606 _____
5. Subtract line 4 from line 1. Enter the result. **If the result is $10,000 or more, stop here and use Worksheet 1.** . . . . _____
6. Multiply the amount on line 5 by 20% (.20). If the result is not a multiple of $10, round it up to the next multiple of $10 (for example, round $490.30 to $500). If the result is $200 or more, enter the result. But if it is less than $200, enter $200. Go on to line 7 . . . . . _____

Deductible IRA contributions

7. Enter your wages and other earned income from Form 1040, minus any deduction you claim on Form 1040, line 27. (Do not include your spouse's income and do not reduce your wages by losses from self-employment.) . _____
8. Enter IRA contributions you made for 1989, but **do not** enter more than $2,000 . . . . _____
9. Enter the **smallest** of lines 6, 7, or 8 here. This is the most you can deduct. Enter on Form 1040, line 24 or 25, whichever applies, the amount on line 9 you choose to deduct. (If line 8 is more than line 9, go on to line 10.) . . . . . _____

Nondeductible IRA contributions

10. Subtract line 9 from line 7 or line 8, whichever is **smaller.** Enter the result. Enter on line 2 of your Form 8606 the amount from line 10 you choose to make nondeductible . . . . . _____

If married filing a joint return and contributions were made to your nonworking spouse's IRA, go on to line 11.

Deductible IRA contributions for nonworking spouse

11. Compare the amount on line 7 to $2,250 and enter the **smaller** amount . . . . . _____
12. Add the amount on line 9 to the part of line 10 you choose to make nondeductible . . . . _____
13. Subtract line 12 from line 11. Enter the result. If it is zero or less, stop here. You cannot make deductible or nondeductible IRA contributions for your nonworking spouse . . . . . _____
14. Enter the **smallest** of: (a) IRA contributions made for 1989 that are for your nonworking spouse; (b) $2,000; or (c) the amount on line 13 . . . . . _____
15. Multiply the amount on line 5 by 22.5% (.225). If the result is not a multiple of $10, round it up to the next multiple of $10. If the result is $200 or more, enter the result. But if it is less than $200, enter $200 . . . . . _____
16. Enter the amount from line 9. . _____
17. Subtract line 16 from line 15. Enter the result . . . . . _____
18. Compare the amounts on lines 14 and 17, and enter the **smaller** amount . . . . . _____
19. Compare the amounts on lines 6, 7, and 18 and enter the **smallest** of the three amounts on line 19. This is the most you can deduct. Enter on Form 1040, line 25, the amount on line 19 you choose to deduct. (If line 14 is more than line 19, go on to line 20.) . . . _____

Nondeductible IRA contributions for nonworking spouse

20. Subtract line 19 from line 14 and enter the result. Enter on line 2 of your spouse's Form 8606, the amount from line 20 that you choose to make nondeductible . _____

Line 26

Self-Employed Health Insurance Deduction

If you were self-employed and had a net profit for the year, you may be able to deduct part of the amount paid for health insurance on behalf of yourself, your spouse, and dependents. But you may not take the deduction if you were eligible to participate in any subsidized health plan maintained by your or your spouse's employer. Also, if you had employees, you may not take the deduction unless you provided nondiscriminatory health insurance coverage to your employees. For more details, get **Pub. 535**, Business Expenses.

If you qualify to take the deduction, use the worksheet below to figure the amount you can deduct. But, if you file **Form 2555** or **Form 4563,** or you exclude income from Puerto Rico, use the worksheet in Pub. 535 instead of the one below.

Worksheet (Keep for your records)

1. Enter the amount paid for health insurance for 1989 for you, your spouse, and dependents . . . _____
2. Percentage used to figure the deduction . . . . . × .25
3. Multiply the amount on line 1 by the percentage on line 2 . . . _____
4. Enter your net profit and any other earned income* from the business under which the insurance plan is established, minus any deduction you claim on Form 1040, line 27 . . . _____
5. Compare the amounts on lines 3 and 4. Enter the **smaller** of the two amounts here and on Form 1040, line 26. (**DO NOT** include this amount in figuring any medical expense deduction on Schedule A (Form 1040).) . . _____

**Earned income* includes net earnings and gains from the sale, transfer, or licensing of property you created. It does not include capital gain income.*

Line 27

Keogh Retirement Plan and Self-Employed SEP Deduction

If you are self-employed or a partner, deduct payments to your Keogh (HR 10) plan or SEP on line 27. Deduct payments for your employees on Schedule C or F.

***Caution:** You must be self-employed to claim the Keogh deduction. There are two types of Keogh plans:*

- A **defined-contribution plan** has a separate account for each person. Benefits are based on the amount paid to each account.
- Payments to a **defined-benefit plan** are determined by the funds needed to give a specific benefit at retirement. If you deduct payments to this kind of plan, write "DB" to the left of line 27.

Get **Pub. 560,** Self-Employed Retirement Plans, for more information, including limits on the amount you can deduct.

Line 28

Penalty on Early Withdrawal of Savings

The **Form 1099-INT** or, if applicable, **Form 1099-OID** given to you by your bank or savings and loan association will show the amount of any penalty you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 28. (Be sure to include the interest income on Form 1040, line 8a.)

Line 29

Alimony Paid

You can deduct periodic payments of alimony or separate maintenance made under a court decree. You can also deduct payments made under a written separation agreement or a decree for support. Don't deduct lump-sum cash or property settlements, voluntary payments not made under a court order or a written separation agreement, or amounts specified as child support.

For details, see **Tele-Tax Information** in the index (topic no. 252) or get **Pub. 504,** Tax Information for Divorced or Separated Individuals.

You must enter the recipient's last name, if different than yours, and his or her social security number in the space provided on line 29. If you don't, you may have to pay a $50 penalty and your deduction may be disallowed. If you paid alimony to more than one person, enter the social security number and last name, if applicable, of one of the recipients. Show the required information, including the amount paid, for the other recipient(s) on an attached statement. Enter your total payments on line 29.

Divorce or Separation Instruments Executed After 1984. Generally, you may deduct any payment made in cash to, or on behalf of, your spouse or former spouse under a divorce or separation instrument executed after 1984 if:

- the instrument does not prevent the payment from qualifying as alimony, **and**
- you and your spouse or former spouse did not live together when the payment was made if you were separated under a decree of divorce or separate maintenance, **and**

- you are not required to make any payment after the death of your spouse or former spouse, **and**
- the payment is not treated as child support.

These rules also apply to certain instruments modified after 1984. Other rules apply if you paid more than $10,000 in any calendar year. For more details, see Pub. 504.

Line 30

Total Adjustments

Add lines 24 through 29 and enter the total on line 30. Also include in the total on line 30 any of the following adjustments.

Qualified Performing Artists. If you are a qualified performing artist, include in the total on line 30 your performing-arts related expenses from line 13 of **Form 2106,** Employee Business Expenses. Write the amount and "Form 2106" on the dotted line next to line 30.

Jury Duty Pay Given to Employer. If you reported jury duty pay on line 22 and you were required to give your employer any part of that pay because your employer continued to pay your salary while you served on the jury, include the amount you gave your employer in the total on line 30. Write the amount and "Jury pay" on the dotted line next to line 30.

Employer-Provided Vehicle. If your employer provided a vehicle for your business use and included 100% of its fair rental value on your Form W-2, include the amount from line 35 of Form 2106 in the total on line 30. Write the amount and "Form 2106" on the dotted line next to line 30.

Forestation/Reforestation Amortization. If you can claim a deduction for amortization of the costs of forestation or reforestation and you do not have to file Schedule C or Schedule F for this activity, include your deduction in the total on line 30. Write the amount and "Reforestation" on the dotted line next to line 30.

Repayment of Sub-Pay Under the Trade Act of 1974. If you repaid supplemental unemployment benefits (sub-pay) that you previously reported in income because you became eligible for payments under the Trade Act of 1974, include in the total on line 30 the amount you repaid in 1989. Write the amount and "Sub-pay TRA" on the dotted line next to line 30. Or, you may be able to claim a credit against your tax instead. Get **Pub. 525,** Taxable and Nontaxable Income, for more details.

Line 31

Adjusted Gross Income

If line 31 is less than zero, you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see **Form 1045,** Application for Tentative Refund. If you do not wish to carry back a net operating loss, you may elect to carry the loss over to future years. You must attach the election to your return. For more information, get **Pub. 536,** Net Operating Losses.

IRS Will Figure Your Tax and Some of Your Credits

If you want us to, we will figure your tax for you. If you have paid too much, we will send you a refund. If you did not pay enough, we'll send you a bill. We won't charge you interest or a late payment penalty if you pay within 30 days of the notice date, or by the due date for your return, whichever is later.

We can figure your tax if you meet **ALL** of the conditions described below:

- All of your income for 1989 was from wages, salaries, tips, interest, dividends, pensions, or annuities.
- You do not itemize deductions.
- You do not file any of the following forms:

Form 6251, Alternative Minimum Tax—Individuals.

Form 8615, Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,000.

Form 8808, Supplemental Medicare Premium.

Form 8814, Parent's Election To Report Child's Interest and Dividends.

Form 2555, Foreign Earned Income.

- Your adjusted gross income (line 31) is not more than $50,000.
- You (and your spouse if you are filing a joint return) sign and date your return and mail it by April 16, 1990.
- You do not want any of your refund applied to next year's estimated tax.
- You give us enough information so that we can figure the tax. Please read the following instructions:

a. Fill in the parts of your return through line 37 that apply to you.

b. Read lines 39 through 63. Fill in the lines that apply to you, but do not fill in the Total lines. Please be sure to fill in line 56 for Federal income tax withheld. See the instructions below if you want us to figure your credit for the elderly or the disabled, or earned income credit.

c. If you are filing a joint return, use the space under the words "Adjustments to Income" on the front of your return to show your taxable income and your spouse's taxable income separately.

d. Fill in any forms or schedules asked for on the lines you completed, and attach them to the return when you file it.

We will figure the following credits too.

Credit for the Elderly or the Disabled. If you can take this credit, attach **Schedule R** to your return and write "CFE" on the dotted line next to line 42.

Check the box on Schedule R for your filing status and age, and fill in lines 11 and 13 of Part III if applicable. Also complete Part II if applicable.

Earned Income Credit (EIC). If you qualify to take this credit (see the instructions for line 58 on page 20), write "EIC" on the dotted line next to line 58.

Tax Computation

Lines 33a through 33c

Line 33a. If you were age 65 or older or blind, check the appropriate boxes on line 33a. If you were married and checked the box on line 6b on page 1 of Form 1040 and your spouse was 65 or older or blind, also check the appropriate boxes for your spouse.

Age. If you were 65 or older on January 1, 1990, check the "65 or older" box on your 1989 return.

Blindness. If you were completely blind as of December 31, 1989, attach a statement to your return describing this condition.

If you were partially blind, you must attach a certified statement from your eye doctor that:

- You can't see better than 20/200 in your better eye with glasses or contact lenses, or
- Your field of vision is 20 degrees or less.

If your eye condition is not likely to improve beyond the conditions listed above, attach a certified statement to this effect. If you attached this statement in a prior year, attach a note saying that you have already filed a statement.

Line 33b. If someone (such as your parent) can claim you as a dependent, check the box on line 33b. If you do not itemize your deductions, be sure to use the **Standard Deduction Worksheet for Dependents** on page 17 to figure the amount to enter on line 34.

Line 33c. Check this box if your spouse itemizes deductions on a separate return or if you are a dual-status alien. If you were a dual-status alien and you file a joint return with your spouse who was a U.S. citizen or resident at the end of 1989 and you and your spouse agree to be taxed on your combined worldwide income, **do not** check the box.

If you check this box, you **cannot** take the standard deduction. If you have any itemized deductions (such as state and local income taxes or interest), your Federal income tax will be less if you itemize your deductions.

Line 34

Standard Deduction OR Itemized Deductions

You must decide whether to take the standard deduction or itemize your actual deductions for charitable contributions, medical expenses, interest, taxes, etc. Your Federal income tax will be less if you take the **larger** of:

- your standard deduction (figured on page 17), or
- your total itemized deductions reportable on **Schedule A** (Form 1040).

The standard deduction has increased for most people. Even if you itemized last year, be sure to read page 17 to see if the standard deduction will benefit you in 1989.

If you take the standard deduction, find the correct amount for you and enter it on line 34.

If you itemize your deductions, complete and attach Schedule A and enter on Form 1040, line 34, the amount from Schedule A, line 26.

Itemizing for State Tax Purposes. If you itemize even though your itemized deductions are less than the amount of your standard deduction, write "IE" (itemized elected) on the dotted line next to line 34.

Caution: *If you are married filing a separate return and your spouse itemizes deductions, or if you are a dual-status alien (you checked the box on* ***line 33c****), you* ***cannot*** *take the standard deduction even if you were 65 or older or blind.*

Standard Deduction Chart for Most People

DO NOT use this chart if you were 65 or older or blind OR if someone can claim you as a dependent.

If your filing status is:	Your standard deduction is:
Single	$3,100
Married filing joint return or Qualifying widow(er) with dependent child	$5,200
Married filing separate return	$2,600
Head of household	$4,550

Standard Deduction Chart for People Age 65 or Older or Blind

If someone can claim you as a dependent, use the worksheet below, instead.

Enter the number from the box on line 33a of Form 1040 ▶ ☐ **Caution:** Do not use the number of exemptions from line 6e.

If your filing status is:	and the number in the box above is:	Your standard deduction is:
Single	1	$3,850
	2	4,600
Married filing joint return or Qualifying widow(er) with dependent child	1	$5,800
	2	6,400
	3	7,000
	4	7,600
Married filing separate return	1	$3,200
	2	3,800
	3	4,400
	4	5,000
Head of household	1	$5,300
	2	6,050

Standard Deduction Worksheet for Dependents (Keep for your records)

Use this worksheet ONLY if someone can claim you as a dependent.

1. Enter your **earned income** (defined below). If none, enter -0- . . . . . 1. _____
2. Minimum amount 2. $500
3. Compare the amounts on lines 1 and 2. Enter the **larger** of the two amounts here . . . . . 3. _____
4. Enter on line 4 the amount shown below for your filing status:
   - Single, enter $3,100
   - Married filing a separate return, enter $2,600
   - Married filing a joint return or Qualifying widow(er) with dependent child, enter $5,200
   - Head of household, enter $4,550

   . . . . . 4. _____
5. **Standard deduction.**

   a. Compare the amounts on lines 3 and 4. Enter the **smaller** of the two amounts here. If under 65 and not blind, stop here and enter this amount on Form 1040, line 34. Otherwise, go on to line 5b . . . . . 5a. _____

   b. If 65 or older or blind, multiply $750 ($600 if married filing a joint or separate return, or qualifying widow(er) with dependent child) by the number on Form 1040, line 33a. Enter the result . . . . . 5b. _____

   c. Add lines 5a and 5b. Enter the total here and on Form 1040, line 34 . . . . . 5c. _____

Earned income *includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 19.*

Line 38

Tax

To figure your tax, use one of the following methods.

Tax Rate Schedules. You must use the Tax Rate Schedules to figure your tax if your taxable income is $50,000 or more.

Form 8615. Form 8615 must generally be used to figure the tax for any child who was under age 14 on January 1, 1990, and who had more than $1,000 of investment income (such as taxable interest or dividends). However, if neither of the child's parents was alive on December 31, 1989, do not use Form 8615 to figure the child's tax.

Tax Table. If neither of the above conditions applies to you, you **MUST** use the Tax Table to find your tax. Be sure you use the correct column in the Tax Table. After you have found the correct tax, enter that amount on line 38.

Note: *If you are filing* ***Form 8814,*** *Parent's Election To Report Child's Interest and Dividends, include in your total for line 38 the tax from Form 8814, line 8. Also enter that tax in the space provided next to line 38.*

Line 39

Additional Taxes

Check the box(es) on line 39 to report any additional taxes from:

Form 4970, Tax on Accumulation Distribution of Trusts, or

Form 4972, Tax on Lump-Sum Distributions.

Credits

Line 41

Credit for Child and Dependent Care Expenses

You may be able to take a credit on line 41 for payments you made for child and disabled dependent care while you (and your spouse if you were married) worked or looked for work.

The credit is allowed if you kept up a home that included a child **under age 13** or your dependent or spouse who could not care for himself or herself. Use **Form 2441** to figure the credit. To take the credit, you must show on Form 2441 the name, address, and identifying number of the person or organization who provided the care. Please see Form 2441 and its instructions for more details, including special rules for divorced or separated parents.

Note: *If someone cared for your child or disabled dependent in your home, both you and the employee may have to pay a share of the social security tax on the employee's wages. You may also have to pay Federal unemployment tax, which is for your employee's unemployment insurance. For more details, get* ***Pub. 926,*** *Employment Taxes for Household Employers.*

Line 42

Credit for the Elderly or the Disabled

You may be able to take this credit and reduce your tax if, by the end of 1989, you were:

- age 65 or older, or
- under age 65, you retired on **permanent and total** disability, and you had taxable disability income in 1989.

For more information, see the separate instructions for Schedule R. Enter the credit on line 42. If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on page 16.

Line 43

Foreign Tax Credit

Form 1116 explains when you can take this credit for payment of income tax to a foreign country. Also get **Pub. 514,** Foreign Tax Credit for Individuals. Enter the credit from Form 1116 on line 43.

Line 44

General Business Credit

Complete line 44 if you can take any of the 5 credits listed below. Use the appropriate credit form (as described below) to figure the credit. If you have two or more of these credits, a credit carryforward, or a general business credit from a passive activity, you must also complete Form 3800 to figure the total credit and enter on line 44 the amount from Form 3800. Also be sure to check Box **a** on line 44 for Form 3800. If you have only one credit, enter on line 44 the amount of the credit from the form. Also, check Box **b** on line 44 and write in the form number for that credit.

Form 3468, Computation of Investment Credit. This credit was generally repealed for property placed in service after 1985. For exceptions, see Form 3468.

Form 5884, Jobs Credit. If you are a business employer who hires people who are members of special targeted groups, you may qualify for this credit. Use Form 5884 to figure the credit. Get **Pub. 572,** General Business Credit, for more details.

Form 6478, Credit for Alcohol Used as Fuel. If you sell straight alcohol (or an alcohol mixture) at retail or use it as fuel in your trade or business, you may be able to take a credit for the alcohol used as fuel. Use Form 6478 to figure the credit.

Form 6765, Credit for Increasing Research Activities. You may be able to take a credit for research and experimental expenditures paid or incurred in carrying on your trade or business. Use Form 6765 to figure the credit.

Form 8586, Low-Income Housing Credit and **Schedule A, (Form 8609),** Annual Statement. If you owned a building that was part of a low-income housing project, you may be able to take this credit. Use Form 8586 and Schedule A (Form 8609), to figure the credit. Also complete and attach **Form 8609,** Low-Income Housing Credit Allocation Certificate.

Line 45

Credit for Prior Year Minimum Tax

You may be able to reduce your 1989 tax by this credit if you paid alternative minimum tax in 1988. Get **Form 8801,** Credit for Prior Year Minimum Tax, to see if you qualify for the credit.

Line 46

Add amounts on lines 41 through 45 and enter the total on line 46. Also include in the total on line 46 any of the following credits.

Mortgage Interest Credit. You may be able to take a credit for part of the interest you paid on your home mortgage if you were issued a mortgage credit certificate by a state or local government under a qualified mortgage credit certificate program to buy, rehabilitate, or make improvements to your main home. You must complete and attach **Form 8396,** Mortgage Interest Credit, to figure the amount of the credit to include in your total for line 46. On the dotted line next to this total, write "MIC" (mortgage interest credit) and show the amount.

Credit for Fuel From a Nonconventional Source. A credit is allowed for the sale of qualified fuels produced from a nonconventional source. See I.R. Code section 29 for a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule showing how you figured the credit. Include the credit in the total for line 46. On the dotted line next to this total, write "FNS" and show the amount.

Other Taxes

Line 48

Self-Employment Tax

If you had self-employment income in 1989, and earned under $48,000 in wages from which social security tax or RRTA tax was withheld, you may have to pay self-employment tax. Please see **Schedule SE** (Form 1040) and its instructions. If you have to pay self-employment tax, enter the amount from Schedule SE.

Line 49

Alternative Minimum Tax

You may be liable for the alternative minimum tax if the amount on line 32 plus any of the items listed below and included on your return total more than:

- $40,000 if married filing jointly or qualifying widow(er) with dependent child, or
- $30,000 if single or head of household, or
- $20,000 if married filing separately.

1. Accelerated depreciation.
2. Amortization of certified pollution-control facilities.
3. Charitable contribution of appreciated capital gain property.
4. Incentive stock options.
5. Tax-exempt interest from private activity bonds or exempt-interest dividends from a regulated investment company.
6. Intangible drilling costs.
7. Depletion.
8. Circulation and research and experimental expenditures.
9. Mining exploration and development costs.
10. Installment sales of property.
11. Tax shelter farm loss.
12. Passive activity loss.
13. Income from long-term contracts.

Note: *A child under age 14 may owe the alternative minimum tax if the amount on line 32, plus any of the items listed above and included on the return total more than the sum of $1,000 plus the child's earned income.*

Get **Form 6251** and its instructions to see if you owe this tax.

Line 50

Recapture Taxes

You may owe the tax computed on **Form 4255,** Recapture of Investment Credit, if you disposed of investment credit property or changed its use before the end of its useful life or recovery period. See Form 4255 for details. If you owe this tax, check the box for Form 4255 and enter any tax due on line 50.

If you disposed of property (or there was a reduction in the qualified basis of the property) on which you took the low-income housing credit, you may owe the tax computed on **Form 8611,** Recapture of Low-Income Housing Credit. See Form 8611 for more information. If you owe this tax, check the box for Form 8611 and enter any tax due on line 50.

Line 51

Social Security Tax on Tip Income Not Reported to Employer

If you received tips of $20 or more in any month and you did not report the full amount to your employer, or your W-2 form(s) shows allocated tips that you must report in income, you must pay the social security or railroad retirement (RRTA) tax on the

unreported tips. If you reported the full amount to your employer but the social security or RRTA tax was not withheld, you must pay it unless the rules discussed under **Uncollected Employee Social Security and RRTA Tax on Tips** (line 53) apply.

To figure the amount of social security tax on the tips, complete **Form 4137** and attach it to your Form 1040. Enter the tax on line 51.

To determine the amount of RRTA tax on the tips, contact your nearest Railroad Retirement Board office. On line 51, enter the tax and on the dotted line next to it, write "RRTA."

Be sure all your tips are reported as income on Form 1040, line 7. You may be charged a penalty equal to 50% of the social security tax due on tips you received and did not report to your employer.

Line 52

Tax on Qualified Retirement Plans (Including IRAs)

You may owe this tax if: **(1)** you received any early distributions from a qualified pension plan (such as your IRA), qualified annuity plan, or tax-sheltered annuity plan; **(2)** you received any excess distributions from a plan mentioned in (1); **(3)** you made excess contributions to your IRA; **(4)** you had excess accumulations in a qualified pension plan (including an IRA); or **(5)** you received any amount under a modified endowment contract entered into after June 20, 1988.

If any of the above applies, get **Form 5329** and its instructions to see if you owe this tax. Enter the tax from Form 5329 on Form 1040, line 52.

Caution: *Be sure to include in income on line 16 or line 17, as applicable, any early distributions from qualified retirement plans.*

Line 53

Add lines 47 through 52. Put the total on line 53. Also include in the total on line 53 any of the following that applies.

Section 72 (m)(5) Excess Benefits Tax. If you are or were a 5% owner of a business and you received a distribution of excess benefits from a qualified pension or annuity plan, you may have to pay a penalty tax of 10% of the distribution. Get **Pub. 560,** Self-Employed Retirement Plans, for more details.

Include the amount of the penalty in your total for line 53. On the dotted line next to this total, write "Section 72 (m)(5)" and show the amount.

Advance Earned Income Credit (AEIC) Payments. If you received AEIC payments, include them in the total on line 53. On the dotted line next to this total, write "AEIC" and show the amount. Your W-2 form(s) will show these payments.

Note: *Figure the earned income credit you can actually take on the worksheet on page 20.*

Uncollected Employee Social Security and RRTA Tax on Tips. If you did not have enough wages to cover the social security tax or railroad retirement (RRTA) tax due on tips you reported to your employer, the amount of tax due will be shown on your Form W-2. Include that amount in the total on line 53. On the dotted line next to this total, write "Uncollected Tax on Tips" and show the amount.

Golden Parachute Payments. Golden parachute payments are certain payments made by a corporation to key employees to compensate them if control of the corporation changes. If you received an excess parachute payment (EPP), you must pay a tax equal to 20% of this excess payment. Include the amount of this tax in your total for line 53. On the dotted line next to this total, write "EPP" and show the amount of the tax.

If you received a **Form W-2** that includes a parachute payment, the amount of tax withheld on any excess payment should be identified in Box 16 of Form W-2. Include the amount from Box 16 in the total for line 53.

If you received a **Form 1099-MISC** that includes a parachute payment, any excess payment will be separately identified on the form. Multiply the excess payment by 20% to figure the amount to include in the total for line 53.

Installment Sales for Dealers in Personal Property. If you deferred payment of tax in 1987 or 1988 under sec. 811 (c)(7) of the Tax Reform Act of 1986, you must include the ratable portion of tax due for 1989 in the total for line 53. Write "Sec. 453C" and the amount on the dotted line next to line 53.

Medicare Premium Line 54

Caution: *At the time these instructions were printed, Congress was considering legislation that would change the rules below for the supplemental Medicare premium. When Congress completes its action, IRS will take steps to publicize the final rules.*

The following rules applied at the time these instructions were printed.

You will usually owe the new supplemental Medicare premium for 1989 if **both** 1 and 2 below apply to you. The premium will help pay the cost of the new Medicare catastrophic and prescription drug coverage.

1. The amount on line 53 is $150 or more, and

2. You (or your spouse) were Medicare eligible for more than 6 full months in 1989.

If both 1 and 2 above apply to you, use **Form 8808,** Supplemental Medicare Premium, to figure the amount of premium you owe. Form 8808 will be available when Congress completes its action. Also see the separate instructions for Form 8808 for the special rule for married persons filing separate returns and exceptions to the rules above.

You were **Medicare eligible** if **any one** of the following applies:

- You received **Form SSA-1099** or **Form RRB-1099** indicating that you were Medicare eligible for more than 6 full months in 1989, or
- You were 65 or older and would have been entitled to monthly social security or railroad retirement benefits if you had filed an application, or
- You were qualified for Medicare Part A on the basis of government employment and you were age 65 or older, or
- You had end-stage renal (kidney) disease and would have been entitled to Medicare if you had filed an application.

Payments

Line 56

Total Federal Income Tax Withheld

Add the amounts shown as Federal income tax withheld on your **Forms W-2, W-2G, W-2P,** and **1099-R.** Enter the total on line 56. The amount of Federal income tax withheld should be shown in Box 9 of Form W-2, Box 2 of Form W-2G, Box 11 of Form W-2P, and Box 4 of Form 1099-R. If line 56 includes amounts withheld as shown on Form 1099-R, check the box on line 56.

Backup Withholding. If you were subject to backup withholding on dividends, interest income, or other income you received during 1989, include the amount withheld in the total on line 56. This should be shown in Box 2 of Form 1099-DIV and in Box 4 of the other 1099 forms. Be sure to check the box on line 56.

Line 57

1989 Estimated Tax Payments

Enter on this line any payments you made on your estimated Federal income tax (**Form 1040-ES**) for 1989. Include any overpayment from your 1988 return that you applied to your 1989 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid. Or you can each claim a part of it. Get **Pub. 505,** Tax Withholding and Estimated Tax, for more information on how to divide your payments. Please be sure to show both social security numbers on the separate returns. If you or your spouse paid separate estimated tax, but you are now filing a joint income tax return, add the amounts you each paid.

Follow these instructions even if your spouse died.

Divorced Taxpayers. If you were divorced during 1989 and you made joint estimated tax payments with your former spouse, please enter your former spouse's social security number in the block provided on the front of Form 1040.

If you were divorced and remarried in 1989, enter your present spouse's social security number in the block provided on the front of Form 1040. Also, under the bold heading "Payments" to the left of line 57, write your former spouse's social security number, followed by "DIV."

Name Change. If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to the front of Form 1040 explaining all the payments you and your spouse made in 1989, the Service Center where you made the payments, and the name(s) and social security number(s) under which you made the payments.

Line 58

Earned Income Credit

This is a special credit that can help some people who have a child and have income under $19,340. The credit can be as much as $910. If you can take the credit, you can subtract it from the tax you owe or get a refund even if you had no tax withheld from your pay.

You may be able to take the credit if **all** the following apply:

1. You received earned income in 1989 of less than $19,340. (See **Earned income includes** on this page).

2. The amount on Form 1040, line 32, is less than $19,340.

3. You have a child who lived with you in your main home in the U.S. for more than half the year (for all of 1989 if your filing status is qualifying widow(er) with dependent child). If your child was born, or died, in 1989 and your home was your child's home during the part of 1989 that he or she was alive, your child is considered to have lived with you for the entire year.

4. You do not file **Form 2555,** Foreign Earned Income.

5. Your filing status is married filing joint return, qualifying widow(er) with dependent child, **or** head of household. Special rules apply to each of these three filing statuses.

Married Filing Joint Return. Your child must be claimed as your dependent on line 6c. **Exception:** If you remarried and the child's other parent claimed the child as a dependent under the rules for **Children of Divorced or Separated Parents** (see page 8), you can take the credit if you meet all of the other conditions listed above. If you can take the credit because of this exception, enter your child's name on the dotted line next to line 58.

Your "child" means your son or daughter, stepchild, adopted child, a child placed with you by an authorized placement agency for adoption by you, or any other child, such as your grandchild, whom you cared for as your own child for the whole year.

Qualifying Widow(er) With Dependent Child. Your child must be claimed as your dependent on line 6c. Your "child" means your son or daughter, stepchild, adopted child, a child placed with you by an authorized placement agency for adoption by you, or any other child, such as your grandchild, whom you cared for as your own child for the whole year.

Head of Household. If your child was **unmarried,** this child does not have to be your dependent. Enter the child's name on line 4 of your return if the child is not your dependent. Your "child" means your son or daughter, stepchild, adopted child, or a descendant of your son, daughter, or adopted child.

If your child was **married,** this child must be claimed as your dependent on line 6c. **Exception:** If this child's other parent claimed him or her as a dependent under the rules for **Children of Divorced or Separated Parents** (see page 8), you can take the credit if you meet all of the other conditions listed above. If you can take the credit because of this exception, enter your child's name on the dotted line next to line 58 (unless you entered the child's name in the space provided on line 4).

***Note:** You MUST file a return if you got advance earned income credit (AEIC) payments in 1989. You must include the amount of these payments in the total on line 53. See the line 53 instructions for more details. You may be able to get AEIC payments in 1990 by filing **Form W-5** with your employer.*

If you want IRS to figure the credit for you, see **IRS Will Figure Your Tax and Some of Your Credits** on page 16.

For more details about the credit, get **Pub. 596,** Earned Income Credit.

Earned income includes:

- Wages, salaries, and tips.
- Earnings from self-employment—this is usually the amount shown on Schedule SE (Form 1040), Section A, line 3, or Section B, line 3c.
- Anything else of value (money, goods, or services) you get from your employer for services you performed even if it is not taxable (such as housing allowance or rental value of a parsonage for clergy members and meals and lodging for employees).

Earned income does not include items such as interest, dividends, social security and railroad retirement benefits, welfare benefits, nondisability pensions, veterans' benefits, workers' compensation, unemployment compensation (insurance), alimony, or income exempt from self-employment tax as a result of the filing and approval of **Form 4029** (relating to members of certain religious faiths). Earned income also does not include taxable scholarships or fellowships not reported on Form W-2.

If you qualify for the credit, use the worksheet on this page to figure it. Otherwise, write "No" on line 58 and go on to line 59.

***Note:** The earned income credit must be reduced by the alternative minimum tax (Form 1040, line 49). If you owe this tax, subtract it from the amount on line 5 or line 6c of the worksheet below, whichever applies, and enter the result (but not less than zero) on Form 1040, line 58.*

Earned Income Credit Worksheet (Keep for your records)

If your filing status is single or married filing separately, you cannot take the credit. Do not complete this worksheet.

1.	Enter the amount from Form 1040, line 7, plus any other earned income, whether taxable or not. But do not include scholarship or fellowship income if you did not receive a W-2 form for it. ***Note:** If you received earned income that is not taxable, write "NEI" on the dotted line next to line 58 even if you cannot claim the credit.*	$
2.	If you were self-employed, enter the amount, even if a loss, from Schedule SE, Section A, line 3, or Section B, line 3c. But, if you use the optional method to figure your self-employment tax, see **Pub. 596** for more information before entering an amount on line 2. If you included self-employment income on line 1 above, do not include it here.	
3.	**Earned income.** Add lines 1 and 2. But if line 2 is a loss, subtract line 2 from line 1. If line 3 is zero or less, or $19,340 or more, stop here; you **cannot** take the credit. Otherwise, go on to line 4.	
4.	**Adjusted gross income.** Enter the amount from Form 1040, line 32. If this amount is $19,340 or more, stop here; you **cannot** take the credit. Otherwise, go on to line 5 or line 6, whichever applies.	
5.	If line 4 is **less than $10,250,** use the amount on line 3 to find the credit in the table that begins on page 36. Enter the credit here and on Form 1040, line 58.	
6.	If line 4 is **$10,250** or more: **a.** First, use the amount on line 3 to find the credit in the table that begins on page 36. Enter that amount here. $ _____ **b.** Then, use the amount on line 4 to find the credit in the table. Enter that amount here. $ _____ **c.** Compare the amounts on lines **6a** and **6b** above. Enter the **smaller** of the two amounts here. Also enter this amount on Form 1040, line 58.	$

Line 59

Amount Paid With Form 4868 (Extension of Time To File)

If you filed **Form 4868** to get an automatic extension of time to file Form 1040, enter the amount you paid with that form. Also include any amounts paid with **Form 2688** or **Form 2350.**

Line 60

Excess Social Security Tax and RRTA Tax Withheld—More Than One Employer

Excess Social Security Taxes Withheld. If you had more than one employer for 1989 and your total wages were over $48,000, your employers may have withheld too much social security tax. If so, you can take a credit for the excess amount on line 60. Use the worksheet below to figure any excess social security taxes.

If any one employer withheld more than $3,604.80 in social security taxes, you must ask your employer to refund the excess to you. You cannot claim it on your return.

Excess Railroad Retirement (RRTA) Taxes Withheld. For 1989 no more than $5,354.10 in RRTA tax should have been withheld from your pay. If any one railroad employer withheld more than that amount, you must ask that employer to refund the excess to you. You cannot claim it on your return.

Do not use the worksheet below if you had any RRTA tax withheld from your pay. Instead, get **Pub. 505,** Tax Withholding and Estimated Tax, to figure the amount of any excess RRTA or social security taxes withheld if either of the following applies to you:

- You had more than one railroad employer and you paid more than $5,354.10 in RRTA tax in 1989, or
- You had both RRTA tax and social security tax withheld from your wages in 1989 and the total withheld was more than $3,604.80.

***Caution:** If you were a government employee who paid only the 1.45% Medicare (hospital insurance benefits) tax on your government wages, **do not** include on line 1 of the worksheet below the Medicare tax withheld from your government wages. See the instructions for line 62 to see if you can take a credit for excess Medicare tax paid.*

If you are filing a joint return, you must figure excess social security tax withholding separately for each spouse. Do NOT combine amounts of both husband and wife.

Worksheet (Keep for your records)

1. Add all social security tax withheld (but not more than $3,604.80 for each employer). Enter the total here	
2. Enter any uncollected social security tax on tips included in the total on Form 1040, line 53	
3. Add lines 1 and 2	
4. Social security tax limit	−3,604.80
5. Subtract line 4 from line 3. Enter this amount on line 60	

Line 61

Credit for Federal Tax on Fuels

If you can take a credit for tax on gasoline, diesel fuel, and other fuels used in your business, or for certain diesel-powered cars, vans, and light trucks, please attach **Form 4136.** Enter the credit on line 61.

Line 62

Regulated Investment Company Credit

Enter on this line the total amount of the credit from **Form 2439,** Notice to Shareholder of Undistributed Long-Term Capital Gains. Be sure to attach Copy B of Form 2439. Also include on line 62 any Excess Medicare Tax Credit.

Excess Medicare Tax Credit. If you were a Federal, state, or local government employee whose wages in 1989 were subject **only** to the 1.45% Medicare (hospital insurance benefits) tax, and you had other social security or RRTA wages that when added to your government wages total more than $48,000, too much Medicare tax may have been withheld. If so, you may take a credit against your income tax. Use **Form 4469** to figure the credit. Include the amount of the credit in your total for line 62. On the dotted line next to line 62, write "Form 4469" and show the amount.

Line 63

Total Payments

Add lines 56 through 62 and enter the total on line 63. Also include on this line any credit for overpaid windfall profit tax (OWPT) from **Form 6249.** Write the amount and "OWPT" on the dotted line next to line 63. Be sure to attach Forms 6249 and 6248.

Refund or Amount You Owe

Line 64

Amount Overpaid (If line 63 is larger than line 55)

Subtract line 55 from line 63. You can choose to have all or part of this amount refunded to you (line 65). The remainder, if any, can be applied to your estimated tax for 1990 (line 66). If line 64 is under $1, we will send a refund only on written request.

Income Tax Withholding for 1990. If the amount you overpaid is large, get a copy of **Form W-4,** Employee's Withholding Allowance Certificate, from your employer to see if you are entitled to additional allowances. If you are, file a new Form W-4 with your employer to change the amount of income tax to be withheld from your wages.

If you go back to work after a period of unemployment, you may reduce the amount of income tax withheld if your employer agrees to use the part-year method of withholding. There are also other methods that could reduce your withholding.

For more details, see your employer or get **Pub. 505,** Tax Withholding and Estimated Tax.

Injured Spouse Claim. If you file a joint return and your spouse has not paid certain obligations (such as child and spousal support payments and Federal nontax debts such as student loans), all or part of the overpayment shown on line 64 may be used to pay the past due amount. But, your part of the overpayment may be refunded to you if **ALL 3** of the following apply:

- You are not obligated to pay the past due amount.
- You received and reported income (such as wages, taxable interest, etc.) on the joint return.
- You made and reported payments such as Federal income tax withheld from your wages or estimated tax payments on the joint return.

If **ALL 3** of the above conditions apply and you want your part of the overpayment refunded to you, complete **Form 8379,** Injured Spouse Allocation, and attach it to Form 1040 when you file your return. Write "Injured Spouse" in the upper left corner of Form 1040.

***Note:** If you are filing Form 8379 to receive your part of a joint overpayment for a return you have already filed, you may not attach it to Form 1040. Instead, you must file **Form 1040X,** Amended U.S. Individual Income Tax Return, and attach Form 8379 to it.*

Line 66

Applied to 1990 Estimated Tax

Subtract line 65 from line 64. This is the amount that will be applied to your estimated tax for 1990. Enter this amount on line 66.

We will apply amounts to your account unless you request us to apply it to your spouse's account. The request should include your spouse's social security number.

Line 67

Amount You Owe (If line 55 is larger than line 63)

Subtract line 63 from line 55 and enter the result. This is the amount you owe.

Attach your check or money order for the full amount when you file. If line 67 is under $1, you do not have to pay. **Do not** include any estimated tax payment in your check or money order. Mail any estimated tax payment in a separate envelope from the one you use to pay the tax due on Form 1040.

Income Tax Withholding for 1990. If you do owe tax for 1989, you may want to increase the amount of income tax withheld from your pay for 1990. To do this, file **Form W-4,** Employee's Withholding Allowance Certificate, with your employer. Otherwise, you may have to make estimated tax payments for 1990. See **Should You Make Estimated Tax Payments for 1990?** on page 22.

For more details, get **Pub. 505,** Tax Withholding and Estimated Tax.

Line 68

Penalty for Underpayment of Estimated Tax

If line 67 is $500 or more and more than 10% of the tax shown on your return, or you underpaid your 1989 estimated tax liability for any payment period, you may owe a penalty. Get **Form 2210** (**Form 2210F** for farmers and fishermen) to see if you owe a penalty and to figure the amount. If you want, IRS will figure the penalty for you and send you a bill.

How To Avoid the Penalty. You will not owe the penalty or have to complete Form 2210 (or 2210F) if either of the following applies:

1. You had no tax liability for 1988, you were a U.S. citizen or resident for all of 1988, AND your 1988 tax return was for a tax year of 12 full months, or

2. The total of lines 56, 57, 60, and any write-in amount from Form 4469 on line 62 of your 1989 return is at least as much as your 1988 tax liability, AND your 1988 tax return was for a tax year of 12 full months. Your estimated tax payments for 1989 must have been made in 4 equal and timely installments.

***Note:** For 1989, the supplemental Medicare premium on line 54 is not treated as a tax for purposes of the penalty.*

Under certain conditions the penalty may be waived. If you do not meet either of the exceptions above, get Form 2210 (or 2210F) to see if you qualify for a waiver.

Figuring the Penalty. If you cannot avoid the penalty and you choose to figure it

yourself on Form 2210 (or 2210F), enter the penalty amount on Form 1040, line 68. Add the penalty amount to any tax due and enter the total on line 67. If you are due a refund, subtract the penalty amount from the overpayment you show on line 64.

If you used the annualized income installment method to figure your required payments, write "AI" on the dotted line next to line 68. If you are claiming a waiver, write "Waiver" on the dotted line next to line 68.

If you leave line 68 blank, IRS will figure the penalty and send you a bill. We will not begin to charge you interest on the penalty until 10 days after the notice date.

What To Attach. Generally, you are not required to attach Form 2210 (or 2210F) to your return, even if you owe the penalty. But, you MUST complete and attach the form if you claim a waiver or use the annualized income installment method.

Should You Make Estimated Tax Payments for 1990?

In general, you do not have to make estimated tax payments if you expect that your 1990 Form 1040 will show a tax refund, or a tax balance due IRS of less than $500. If your total estimated tax (including any alternative minimum tax and supplemental Medicare premium) is $500 or more, please get **Form 1040-ES.** It contains a worksheet that you can use to see if you have to make estimated tax payments.

Sign Your Return

Form 1040 is not considered a valid return unless you sign it. Your spouse must also sign if it is a joint return. Be sure to date your return and show your occupation in the space provided. If you have someone prepare your return for you, you are still responsible for the correctness of the return. If you are filing a joint return with your deceased spouse, see **Death of Taxpayer,** on page 23.

Child's Return. If your child cannot sign his or her return, sign your child's name in the space provided. Then add "By (your signature), parent for minor child."

Paid Preparers Must Sign Your Return. Generally, anyone you pay to prepare your return must sign it. A preparer who signs your return must sign it by hand in the space provided (signature stamps or labels cannot be used), and give you a copy of the return for your records. Someone who prepares your return for you but does not charge you should not sign your return.

Tax return preparers should be familiar with their responsibilities. They should get **Pub. 1045,** Information for Tax Practitioners, for more details.

Avoid Common Mistakes

This checklist is to help you make sure your form is filled out correctly. Errors may delay your refund.

1. Are your name and address correct on the label? If not, did you correct the label?

2. If you took the standard deduction, did you enter it on line 34? Also did you use the correct chart (or worksheet) on page 17?

3. Did you attach your W-2 form(s) and any other forms? Did you assemble all forms and schedules in the proper order? See **Step 6** on page 6.

4. Did you add and subtract correctly especially when figuring your refund or amount you owe?

5. Did you use the correct filing status and taxable income amount to find your tax in the Tax Table?

6. If a child lived with you and your earned income was under $19,340, did you see if you can take the earned income credit on line 58? See page 20.

7. Did you write your social security number, daytime phone number, and "1989 Form 1040" on your check or money order?

8. Did you sign and date your tax form?

General Information

Penalties and Interest

Interest. We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, negligence, fraud, gross valuation overstatements, and substantial understatements of tax. Interest is charged on the penalty from the due date of the return (including extensions).

Late Filing of Return. You can avoid penalties for late filing by sending in your return by the due date. If you file late, the penalty is 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you do, attach it to your return. The penalty cannot be more than 25% of the tax due. If your return is more than 60 days late, the minimum penalty will be $100 or the amount of any tax you owe, whichever is smaller.

Late Payment of Tax. If you pay your taxes late, the penalty is usually 1/2 of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty cannot be more than 25% of the unpaid amount. It applies to any unpaid tax on the return. It also applies to any additional tax shown on a bill not paid within 10 days of the date of the bill. This penalty is in addition to interest charges on late payments.

Note: *If you include interest or either of these penalties with your payment, identify and enter these amounts in the bottom margin of Form 1040, page 2. Do not include the interest or penalty amounts in* ***Amount You Owe*** *on line 67.*

Penalty for Frivolous Return. In addition to any other penalties, the law imposes a penalty of $500 for filing a frivolous return. A frivolous return is one that does not contain information needed to figure the correct tax or shows a substantially incorrect tax, because you take a frivolous position or desire to delay or interfere with the tax laws. This includes any altering or striking out of the preprinted language above the space where you sign.

Other Penalties. There are also other penalties that can be imposed for negligence, substantial understatement of tax, and fraud. Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement. Get **Pub. 17,** Your Federal Income Tax, for details on some of these penalties.

Do Both the Name and Social Security Number on Your Tax Forms Agree With Your Social Security Card?

If not, your refund may be delayed or you may not receive credit for your social security earnings. If your Form W-2, Form 1099, or other tax document shows an incorrect social security number or name, notify your employer or the form-issuing agent. If the name or number on your social security card is incorrect, contact any Social Security Administration office. The telephone number is listed in the phone book under "U.S. Government, Social Security Administration."

Gift To Reduce the Public Debt

You may make a gift to reduce the public debt. If you wish to do so, enclose a separate check with your income tax return. Make it payable to "Bureau of the Public Debt." You may be able to deduct this gift on your 1990 tax return if you itemize your deductions. Please do not add it to any tax you may owe. If you owe tax, include a separate check for that amount payable to "Internal Revenue Service."

Address Change

If you move, you should always notify the IRS Service Center where you filed your last return. If you move after you file your return and you are expecting a refund, also notify the post office serving your old address. This will help to forward your check to your new address.

Mailing Your Return

If you received an envelope with your forms booklet, please use it. If you didn't receive an envelope, or you moved during the year, see **Where To File** on page 5. Envelopes with insufficient postage will be returned by the post office.

Corresponding With IRS

Be sure to include your social security number in any correspondence with IRS.

How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your return, as well as any worksheets used to figure them, until the statute of limitations runs out for that return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property. For more details, get **Pub. 552.**

Requesting a Copy of Your Tax Return

If you need a copy of your tax return, use **Form 4506,** Request for Copy of Tax Form. The charge for a copy of a return is $4.25. If you need tax account information, contact your local IRS office. If you want a printed copy of your account, it will be mailed to you free of charge.

Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **1989** (1)

For the year Jan.–Dec. 31, 1989, or other tax year beginning , 1989, ending , 19 | OMB No. 1545-0074

Label

Use IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial | Last name

If a joint return, spouse's first name and initial | Last name

Home address (number and street). (If a P.O. box, see page 7 of Instructions.) | Apt. no.

City, town or post office, state and ZIP code. (If a foreign address, see page 7.)

Your social security number

Spouse's social security number

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Presidential Election Campaign ▶ Do you want $1 to go to this fund? Yes No **Note:** *Checking "Yes" will not change your tax or reduce your refund.*

If joint return, does your spouse want $1 to go to this fund? Yes No

Filing Status

Check only one box.

1 ☐ Single

2 ☐ Married filing joint return (even if only one had income)

3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here. _____

4 ☐ Head of household (with qualifying person). (See page 7 of Instructions.) If the qualifying person is your child but not your dependent, enter child's name here. _____

5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 7 of Instructions.)

Exemptions

(See Instructions on page 8.)

6a ☐ **Yourself** If someone (such as your parent) can claim you as a dependent on his or her tax return, do not check box 6a. But be sure to check the box on line 33b on page 2

b ☐ **Spouse**

No. of boxes checked on 6a and 6b _____

c **Dependents:**

(1) Name (first, initial, and last name)	(2) Check if under age 2	(3) If age 2 or older, dependent's social security number	(4) Relationship	(5) No. of months lived in your home in 1989

No. of your children on 6c who:

- **lived with you** _____
- **didn't live with you due to divorce or separation (see page 9)** _____

No. of other dependents on 6c _____

If more than 6 dependents, see Instructions on page 8.

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here ▶ ☐

e Total number of exemptions claimed

Add numbers entered on lines above ▶ ☐

Income

Please attach Copy B of your Forms W-2, W-2G, and W-2P here.

If you do not have a W-2, see page 6 of Instructions.

Please attach check or money order here.

7	Wages, salaries, tips, etc. *(attach Form(s) W-2)*	7	
8a	**Taxable** interest income *(also attach Schedule B if over $400)*	8a	
b	**Tax-exempt** interest income (see page 10). DON'T include on line 8a 8b		
9	Dividend income *(also attach Schedule B if over $400)*	9	
10	Taxable refunds of state and local income taxes, if any, from worksheet on page 11 of Instructions	10	
11	Alimony received	11	
12	Business income or (loss) *(attach Schedule C)*	12	
13	Capital gain or (loss) *(attach Schedule D)*	13	
14	Capital gain distributions not reported on line 13 (see page 11)	14	
15	Other gains or (losses) *(attach Form 4797)*	15	
16a	Total IRA distributions 16a — **16b** Taxable amount (see page 11)	16b	
17a	Total pensions and annuities 17a — **17b** Taxable amount (see page 12)	17b	
18	Rents, royalties, partnerships, estates, trusts, etc. *(attach Schedule E)*	18	
19	Farm income or (loss) *(attach Schedule F)*	19	
20	Unemployment compensation (insurance) (see page 13)	20	
21a	Social security benefits 21a — **21b** Taxable amount (see page 13)	21b	
22	Other income (list type and amount—see page 13)	22	
23	Add the amounts shown in the far right column for lines 7 through 22. This is your **total income** ▶	23	

Adjustments to Income

(See Instructions on page 14.)

24	Your IRA deduction, from applicable worksheet on page 14 or 15	24	
25	Spouse's IRA deduction, from applicable worksheet on page 14 or 15	25	
26	Self-employed health insurance deduction, from worksheet on page 15	26	
27	Keogh retirement plan and self-employed SEP deduction	27	
28	Penalty on early withdrawal of savings	28	
29	Alimony paid. **a** Recipient's last name _____ and **b** social security number	29	
30	Add lines 24 through 29. These are your **total adjustments** ▶	30	

Adjusted Gross Income

31	Subtract line 30 from line 23. This is your **adjusted gross income.** *If this line is less than $19,340 and a child lived with you, see "Earned Income Credit" (line 58) on page 20 of the Instructions. If you want IRS to figure your tax, see page 16 of the Instructions* ▶	31	

Tax Computation

32	Amount from line 31 (adjusted gross income)		32
33a	Check if: ☐ **You** were 65 or older ☐ Blind; ☐ **Spouse** was 65 or older ☐ Blind. Add the number of boxes checked and enter the total here ▶	33a	
b	If someone (such as your parent) can claim you as a dependent, check here ▶	33b ☐	
c	If you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien, see page 16 and check here ▶	33c ☐	
34	Enter the larger of: • Your **standard deduction** (from page 17 of the Instructions), **OR** • Your **itemized deductions** (from Schedule A, line 26). If you itemize, attach Schedule A and check here ▶ ☐		34
35	Subtract line 34 from line 32. Enter the result here		35
36	Multiply $2,000 by the total number of exemptions claimed on line 6e		36
37	**Taxable income.** Subtract line 36 from line 35. Enter the result (if less than zero, enter zero)		37
	Caution: If under age 14 and you have more than $1,000 of investment income, check here ▶ ☐ and see page 17 to see if you have to use Form 8615 to figure your tax.		
38	Enter tax. Check if from: **a** ☐ Tax Table, **b** ☐ Tax Rate Schedules, or **c** ☐ Form 8615. (If any is from Form(s) 8814, enter that amount here ▶ **d** _____.)		38
39	Additional taxes (see page 18). Check if from: **a** ☐ Form 4970 **b** ☐ Form 4972		39
40	Add lines 38 and 39. Enter the total ▶		40

Credits (See Instructions on page 18.)

41	Credit for child and dependent care expenses *(attach Form 2441)*	41		
42	Credit for the elderly or the disabled *(attach Schedule R)*	42		
43	Foreign tax credit *(attach Form 1116)*	43		
44	General business credit. Check if from: **a** ☐ Form 3800 or **b** ☐ Form (specify) _____	44		
45	Credit for prior year minimum tax *(attach Form 8801)*	45		
46	Add lines 41 through 45. Enter the total			46
47	Subtract line 46 from line 40. Enter the result (if less than zero, enter zero) ▶			47

Other Taxes (Including Advance EIC Payments)

48	Self-employment tax *(attach Schedule SE)*		48
49	Alternative minimum tax *(attach Form 6251)*		49
50	Recapture taxes (see page 18). Check if from: **a** ☐ Form 4255 **b** ☐ Form 8611		50
51	Social security tax on tip income not reported to employer *(attach Form 4137)*		51
52	Tax on an IRA or a qualified retirement plan *(attach Form 5329)*		52
53	Add lines 47 through 52. Enter the total ▶		53

Medicare Premium

54	Supplemental Medicare premium *(attach Form 8808)*		54
55	Add lines 53 and 54. This is your **total tax** and any supplemental Medicare premium ▶		55

Payments Attach Forms W-2, W-2G, and W-2P to front.

56	Federal income tax withheld (if any is from Form(s) 1099, check ▶ ☐)	56		
57	1989 estimated tax payments and amount applied from 1988 return	57		
58	Earned income credit (see page 20)	58		
59	Amount paid with Form 4868 (extension request)	59		
60	Excess social security tax and RRTA tax withheld (see page 20)	60		
61	Credit for Federal tax on fuels *(attach Form 4136)*	61		
62	Regulated investment company credit *(attach Form 2439)*	62		
63	Add lines 56 through 62. These are your **total payments** ▶			63

Refund or Amount You Owe

64	If line 63 is larger than line 55, enter amount **OVERPAID** ▶		64
65	Amount of line 64 to be **REFUNDED TO YOU** ▶		65
66	Amount of line 64 to be **APPLIED TO YOUR 1990 ESTIMATED TAX** ▶	66	
67	If line 55 is larger than line 63, enter **AMOUNT YOU OWE.** Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1989 Form 1040" on it		67
68	Penalty for underpayment of estimated tax (see page 21)	68	

Sign Here (Keep a copy of this return for your records.)

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation
Spouse's signature (if joint return, BOTH must sign)	Date	Spouse's occupation

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's social security no.
Firm's name (or yours if self-employed) and address		E.I. No.	
		ZIP code	

Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **1989** (1)

For the year Jan.–Dec. 31, 1989, or other tax year beginning , 1989, ending , 19 | OMB No. 1545-0074

Label

Use IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial | Last name

If a joint return, spouse's first name and initial | Last name

Home address (number and street). (If a P.O. box, see page 7 of Instructions.) | Apt. no.

City, town or post office, state and ZIP code. (If a foreign address, see page 7.)

Your social security number

Spouse's social security number

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Presidential Election Campaign ▶ Do you want $1 to go to this fund? Yes No **Note:** *Checking "Yes" will not change your tax or reduce your refund.*

If joint return, does your spouse want $1 to go to this fund? Yes No

Filing Status

Check only one box.

1 ☐ Single

2 ☐ Married filing joint return (even if only one had income)

3 ☐ Married filing separate return. Enter spouse's social security no. above and full name here. _____

4 ☐ Head of household (with qualifying person). (See page 7 of Instructions.) If the qualifying person is your child but not your dependent, enter child's name here. _____

5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 7 of Instructions.)

Exemptions

(See Instructions on page 8.)

6a ☐ **Yourself** If someone (such as your parent) can claim you as a dependent on his or her tax return, do not check box 6a. But be sure to check the box on line 33b on page 2

b ☐ **Spouse**

c **Dependents:**

(1) Name (first, initial, and last name)	(2) Check if under age 2	(3) If age 2 or older, dependent's social security number	(4) Relationship	(5) No. of months lived in your home in 1989

If more than 6 dependents, see Instructions on page 8.

No. of boxes checked on 6a and 6b _____

No. of your children on 6c who:

- **lived with you** _____
- **didn't live with you due to divorce or separation (see page 9)** _____

No. of other dependents on 6c _____

Add numbers entered on lines above ▶ ☐

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here ▶ ☐

e Total number of exemptions claimed

Income

Please attach Copy B of your Forms W-2, W-2G, and W-2P here.

If you do not have a W-2, see page 6 of Instructions.

Please attach check or money order here.

7	Wages, salaries, tips, etc. *(attach Form(s) W-2)*	7	
8a	**Taxable** interest income *(also attach Schedule B if over $400)*	8a	
b	**Tax-exempt** interest income (see page 10). DON'T include on line 8a (8b)		
9	Dividend income *(also attach Schedule B if over $400)*	9	
10	Taxable refunds of state and local income taxes, if any, from worksheet on page 11 of Instructions	10	
11	Alimony received	11	
12	Business income or (loss) *(attach Schedule C)*	12	
13	Capital gain or (loss) *(attach Schedule D)*	13	
14	Capital gain distributions not reported on line 13 (see page 11)	14	
15	Other gains or (losses) *(attach Form 4797)*	15	
16a	Total IRA distributions (16a) **16b** Taxable amount (see page 11)	16b	
17a	Total pensions and annuities (17a) **17b** Taxable amount (see page 12)	17b	
18	Rents, royalties, partnerships, estates, trusts, etc. *(attach Schedule E)*	18	
19	Farm income or (loss) *(attach Schedule F)*	19	
20	Unemployment compensation (insurance) (see page 13)	20	
21a	Social security benefits. (21a) **21b** Taxable amount (see page 13)	21b	
22	Other income (list type and amount—see page 13)	22	
23	Add the amounts shown in the far right column for lines 7 through 22. This is your **total income** ▶	23	

Adjustments to Income

(See Instructions on page 14.)

24	Your IRA deduction, from applicable worksheet on page 14 or 15	24	
25	Spouse's IRA deduction, from applicable worksheet on page 14 or 15	25	
26	Self-employed health insurance deduction, from worksheet on page 15	26	
27	Keogh retirement plan and self-employed SEP deduction	27	
28	Penalty on early withdrawal of savings	28	
29	Alimony paid. **a** Recipient's last name _____ and **b** social security number	29	
30	Add lines 24 through 29. These are your **total adjustments** ▶	30	

Adjusted Gross Income

31	Subtract line 30 from line 23. This is your **adjusted gross income.** *If this line is less than $19,340 and a child lived with you, see "Earned Income Credit" (line 58) on page 20 of the Instructions. If you want IRS to figure your tax, see page 16 of the Instructions* ▶	31	

Tax Computation

32	Amount from line 31 (adjusted gross income)		32
33a	Check if: ☐ **You** were 65 or older ☐ Blind; ☐ **Spouse** was 65 or older ☐ Blind. Add the number of boxes checked and enter the total here ▶	33a	
b	If someone (such as your parent) can claim you as a dependent, check here ▶	33b ☐	
c	If you are married filing a separate return and your spouse itemizes deductions, or you are a dual-status alien, see page 16 and check here ▶	33c ☐	
34	Enter the **larger** of: • Your **standard deduction** (from page 17 of the Instructions), **OR** • Your **itemized deductions** (from Schedule A, line 26). If you itemize, attach Schedule A and check here ▶ ☐		34
35	Subtract line 34 from line 32. Enter the result here		35
36	Multiply $2,000 by the total number of exemptions claimed on line 6e		36
37	**Taxable income.** Subtract line 36 from line 35. Enter the result (if less than zero, enter zero)		37
	Caution: If under age 14 and you have more than $1,000 of investment income, check here ▶ ☐ and see page 17 to see if you have to use Form 8615 to figure your tax.		
38	Enter tax. Check if from: **a** ☐ Tax Table, **b** ☐ Tax Rate Schedules, or **c** ☐ Form 8615. (If any is from Form(s) 8814, enter that amount here ▶ **d** _____.)		38
39	Additional taxes (see page 18). Check if from: **a** ☐ Form 4970 **b** ☐ Form 4972		39
40	Add lines 38 and 39. Enter the total ▶		40

Credits (See Instructions on page 18.)

41	Credit for child and dependent care expenses *(attach Form 2441)*	41		
42	Credit for the elderly or the disabled *(attach Schedule R)*	42		
43	Foreign tax credit *(attach Form 1116)*	43		
44	General business credit. Check if from: **a** ☐ Form 3800 or **b** ☐ Form (specify) _____	44		
45	Credit for prior year minimum tax *(attach Form 8801)*	45		
46	Add lines 41 through 45. Enter the total			46
47	Subtract line 46 from line 40. Enter the result (if less than zero, enter zero) ▶			47

Other Taxes (Including Advance EIC Payments)

48	Self-employment tax *(attach Schedule SE)*	48
49	Alternative minimum tax *(attach Form 6251)*	49
50	Recapture taxes (see page 18). Check if from: **a** ☐ Form 4255 **b** ☐ Form 8611	50
51	Social security tax on tip income not reported to employer *(attach Form 4137)*	51
52	Tax on an IRA or a qualified retirement plan *(attach Form 5329)*	52
53	Add lines 47 through 52. Enter the total ▶	53

Medicare Premium

54	Supplemental Medicare premium *(attach Form 8808)*	54
55	Add lines 53 and 54. This is your **total tax** and any supplemental Medicare premium ▶	55

Payments

Attach Forms W-2, W-2G, and W-2P to front.

56	Federal income tax withheld (if any is from Form(s) 1099, check ▶ ☐)	56		
57	1989 estimated tax payments and amount applied from 1988 return	57		
58	Earned income credit (see page 20)	58		
59	Amount paid with Form 4868 (extension request)	59		
60	Excess social security tax and RRTA tax withheld (see page 20)	60		
61	Credit for Federal tax on fuels *(attach Form 4136)*	61		
62	Regulated investment company credit *(attach Form 2439)*	62		
63	Add lines 56 through 62. These are your **total payments** ▶			63

Refund or Amount You Owe

64	If line 63 is larger than line 55, enter amount **OVERPAID** ▶			64
65	Amount of line 64 to be **REFUNDED TO YOU** ▶			65
66	Amount of line 64 to be **APPLIED TO YOUR 1990 ESTIMATED TAX** ▶	66		
67	If line 55 is larger than line 63, enter **AMOUNT YOU OWE.** Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1989 Form 1040" on it			67
68	Penalty for underpayment of estimated tax (see page 21)	68		

Sign Here (Keep a copy of this return for your records.)

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation
Spouse's signature (if joint return, BOTH must sign)	Date	Spouse's occupation

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's social security no.
Firm's name (or yours if self-employed) and address		E.I. No.	
		ZIP code	

SCHEDULES A&B
(Form 1040)
Department of the Treasury
Internal Revenue Service (1)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedules A and B (Form 1040).**

OMB No. 1545-0074

1989

Attachment Sequence No. **07**

Name(s) shown on Form 1040

Your social security number

Medical and Dental Expenses (Do not include expenses reimbursed or paid by others.) (See Instructions on page 23.)	**1a**	Prescription medicines and drugs, insulin, doctors, dentists, nurses, hospitals, medical insurance premiums you paid, etc	1a		
	b	Other. (List—include hearing aids, dentures, eyeglasses, transportation and lodging, etc.) ▶	1b		
	2	Add the amounts on lines 1a and 1b. Enter the total here	2		
	3	Multiply the amount on Form 1040, line 32, by 7.5% (.075)	3		
	4	Subtract line 3 from line 2. If zero or less, enter -0-. **Total** medical and dental ▶			4
Taxes You Paid (See Instructions on page 24.)	**5**	State and local income taxes	5		
	6	Real estate taxes	6		
	7	Other taxes. (List—include personal property taxes.) ▶	7		
	8	Add the amounts on lines 5 through 7. Enter the total here. **Total** taxes ▶			8
Interest You Paid (See Instructions on page 24.)	**9a**	Deductible home mortgage interest (from Form 1098) that you paid to financial institutions. Report deductible points on line 10.	9a		
	b	Other deductible home mortgage interest. (If paid to an individual, show that person's name and address.) ▶	9b		
	10	Deductible points. (See Instructions for special rules.)	10		
	11	Deductible investment interest. (See page 25.)	11		
	12a	Personal interest you paid. (See page 25.) 12a			
	b	Multiply the amount on line 12a by 20% (.20). Enter the result	12b		
	13	Add the amounts on lines 9a through 11, and 12b. Enter the total here. **Total** interest ▶			13
Gifts to Charity (See Instructions on page 25.)	**14**	Contributions by cash or check. (If you gave $3,000 or more to any one organization, show to whom you gave and how much you gave.) ▶	14		
	15	Other than cash or check. (You must attach Form 8283 if over $500.)	15		
	16	Carryover from prior year	16		
	17	Add the amounts on lines 14 through 16. Enter the total here. **Total** contributions ▶			17
Casualty and Theft Losses	**18**	Casualty or theft loss(es) (attach Form 4684). (See page 26 of the Instructions.) ▶			18
Moving Expenses	**19**	Moving expenses (attach Form 3903 or 3903F). (See page 26 of the Instructions.) ▶			19
Job Expenses and Most Other Miscellaneous Deductions (See page 26 for expenses to deduct here.)	**20**	Unreimbursed employee expenses—job travel, union dues, job education, etc. (You MUST attach Form 2106 in some cases. See Instructions.) ▶	20		
	21	Other expenses (investment, tax preparation, safe deposit box, etc.). List type and amount ▶	21		
	22	Add the amounts on lines 20 and 21. Enter the total	22		
	23	Multiply the amount on Form 1040, line 32, by 2% (.02). Enter the result here	23		
	24	Subtract line 23 from line 22. Enter the result. If zero or less, enter -0- ▶			24
Other Miscellaneous Deductions	**25**	Other (from list on page 26 of Instructions). List type and amount ▶ ▶			25
Total Itemized Deductions	**26**	Add the amounts on lines 4, 8, 13, 17, 18, 19, 24, and 25. Enter the total here. Then enter on Form 1040, line 34, the LARGER of this total or your standard deduction from page 17 of the Instructions ▶			26

Name(s) shown on Form 1040. (Do not enter name and social security number if shown on other side.) | Your social security number

Schedule B—Interest and Dividend Income

Attachment Sequence No. 08

Part I Interest Income

(See Instructions on pages 10 and 27.)

If you received more than $400 in taxable interest income, you must complete Parts I and III. List ALL interest received in Part I. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 27.

Note: If you received a Form 1099-INT or Form 1099-OID from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

Interest Income		Amount
1 Interest income from seller-financed mortgages. (See Instructions and list name of payer.) ►	1	
2 Other interest income. (List name of payer.) ►	2	
3 Add the amounts on lines 1 and 2. Enter the total here and on Form 1040, line 8a. ►	3	

Part II Dividend Income

(See Instructions on pages 10 and 27.)

If you received more than $400 in gross dividends and/or other distributions on stock, you must complete Parts II and III. If you received, as a nominee, dividends that actually belong to another person, see page 27.

Note: If you received a Form 1099-DIV from a brokerage firm, list the firm's name as the payer and enter the total dividends shown on that form.

Dividend Income		Amount
4 Dividend income. (List name of payer—include on this line capital gain distributions, nontaxable distributions, etc.) ►	4	
5 Add the amounts on line 4. Enter the total here	5	
6 Capital gain distributions. Enter here and on Schedule D*	6	
7 Nontaxable distributions. (See the Instructions for Form 1040, line 9.)	7	
8 Add the amounts on lines 6 and 7. Enter the total here	8	
9 Subtract line 8 from line 5. Enter the result here and on Form 1040, line 9 ►	9	

**If you received capital gain distributions but do not need Schedule D to report any other gains or losses, see the Instructions for Form 1040, lines 13 and 14.*

Part III Foreign Accounts and Foreign Trusts

(See Instructions on page 27.)

If you received more than $400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.

		Yes	No
10a	At any time during 1989, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 27 of the Instructions for exceptions and filing requirements for Form TD F 90-22.1.)		
b	If "Yes," enter the name of the foreign country ►		
11	Were you the grantor of, or transferor to, a foreign trust that existed during 1989, whether or not you have any beneficial interest in it? If "Yes," you may have to file Form 3520, 3520-A, or 926		

SCHEDULES A&B
(Form 1040)
Department of the Treasury
Internal Revenue Service (1)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedules A and B (Form 1040).**

OMB No. 1545-0074

1989

Attachment Sequence No. **07**

Name(s) shown on Form 1040 | **Your social security number**

Medical and Dental Expenses **(Do not include expenses reimbursed or paid by others.)** (See Instructions on page 23.)	**1a**	Prescription medicines and drugs, insulin, doctors, dentists, nurses, hospitals, medical insurance premiums you paid, etc	1a		
	b	Other. (List—include hearing aids, dentures, eyeglasses, transportation and lodging, etc.) ▶	1b		
	2	Add the amounts on lines 1a and 1b. Enter the total here	2		
	3	Multiply the amount on Form 1040, line 32, by 7.5% (.075)	3		
	4	Subtract line 3 from line 2. If zero or less, enter -0-. **Total** medical and dental ▶			4
Taxes You Paid (See Instructions on page 24.)	**5**	State and local income taxes	5		
	6	Real estate taxes	6		
	7	Other taxes. (List—include personal property taxes.) ▶	7		
	8	Add the amounts on lines 5 through 7. Enter the total here. **Total** taxes ▶			8
Interest You Paid (See Instructions on page 24.)	**9a**	Deductible home mortgage interest (from Form 1098) that you paid to financial institutions. Report deductible points on line 10.	9a		
	b	Other deductible home mortgage interest. (If paid to an individual, show that person's name and address.) ▶	9b		
	10	Deductible points. (See Instructions for special rules.)	10		
	11	Deductible investment interest. (See page 25.)	11		
	12a	Personal interest you paid. (See page 25.) 12a			
	b	Multiply the amount on line 12a by 20% (.20). Enter the result	12b		
	13	Add the amounts on lines 9a through 11, and 12b. Enter the total here. **Total** interest ▶			13
Gifts to Charity (See Instructions on page 25.)	**14**	Contributions by cash or check. (If you gave $3,000 or more to any one organization, show to whom you gave and how much you gave.) ▶	14		
	15	Other than cash or check. (You must attach Form 8283 if over $500.)	15		
	16	Carryover from prior year	16		
	17	Add the amounts on lines 14 through 16. Enter the total here. **Total** contributions ▶			17
Casualty and Theft Losses	**18**	Casualty or theft loss(es) (attach Form 4684). (See page 26 of the Instructions.) ▶			18
Moving Expenses	**19**	Moving expenses (attach Form 3903 or 3903F). (See page 26 of the Instructions.) ▶			19
Job Expenses and Most Other Miscellaneous Deductions (See page 26 for expenses to deduct here.)	**20**	Unreimbursed employee expenses—job travel, union dues, job education, etc. (You MUST attach Form 2106 in some cases. See Instructions.) ▶	20		
	21	Other expenses (investment, tax preparation, safe deposit box, etc.). List type and amount ▶	21		
	22	Add the amounts on lines 20 and 21. Enter the total	22		
	23	Multiply the amount on Form 1040, line 32, by 2% (.02). Enter the result here	23		
	24	Subtract line 23 from line 22. Enter the result. If zero or less, enter -0- ▶			24
Other Miscellaneous Deductions	**25**	Other (from list on page 26 of Instructions). List type and amount ▶ ▶			25
Total Itemized Deductions	**26**	Add the amounts on lines 4, 8, 13, 17, 18, 19, 24, and 25. Enter the total here. Then enter on Form 1040, line 34, the LARGER of this total or your standard deduction from page 17 of the Instructions ▶			26

Name(s) shown on Form 1040. (Do not enter name and social security number if shown on other side.) | Your social security number

Schedule B—Interest and Dividend Income

Attachment Sequence No. 08

Part I Interest Income

(See Instructions on pages 10 and 27.)

If you received more than $400 in taxable interest income, you must complete Parts I and III. List ALL interest received in Part I. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 27.

Note: If you received a Form 1099-INT or Form 1099-OID from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

Interest Income		Amount
1 Interest income from seller-financed mortgages. (See Instructions and list name of payer.) ►	1	
2 Other interest income. (List name of payer.) ►	2	
3 Add the amounts on lines 1 and 2. Enter the total here and on Form 1040, line 8a. ►	3	

Part II Dividend Income

(See Instructions on pages 10 and 27.)

If you received more than $400 in gross dividends and/or other distributions on stock, you must complete Parts II and III. If you received, as a nominee, dividends that actually belong to another person, see page 27.

Note: If you received a Form 1099-DIV from a brokerage firm, list the firm's name as the payer and enter the total dividends shown on that form.

Dividend Income		Amount
4 Dividend income. (List name of payer—include on this line capital gain distributions, nontaxable distributions, etc.) ►	4	
5 Add the amounts on line 4. Enter the total here	5	
6 Capital gain distributions. Enter here and on Schedule D*	6	
7 Nontaxable distributions. (See the Instructions for Form 1040, line 9.)	7	
8 Add the amounts on lines 6 and 7. Enter the total here	8	
9 Subtract line 8 from line 5. Enter the result here and on Form 1040, line 9 ►	9	

**If you received capital gain distributions but do not need Schedule D to report any other gains or losses, see the Instructions for Form 1040, lines 13 and 14.*

Part III Foreign Accounts and Foreign Trusts

(See Instructions on page 27.)

If you received more than $400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.

		Yes	No
10a	At any time during 1989, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 27 of the Instructions for exceptions and filing requirements for Form TD F 90-22.1.)		
b	If "Yes," enter the name of the foreign country ►		
11	Were you the grantor of, or transferor to, a foreign trust that existed during 1989, whether or not you have any beneficial interest in it? If "Yes," you may have to file Form 3520, 3520-A, or 926		

Substitute Tax Forms

You may not use your own version of a tax form unless it meets the requirements contained in **Pub. 1167** for acceptable privately designed and printed substitute tax forms. You can get Pub. 1167 by writing to the Forms Distribution Center for your state. See the next to the last page of this instruction booklet for the address.

Amended Return

If you find changes in your income, deductions, or credits after you mail your return, file **Form 1040X,** Amended U.S. Individual Income Tax Return, to change the return you already filed. Generally, Form 1040X must be filed within 3 years after the date the original return was filed, or within 2 years after the date the tax was paid, whichever is later. A return filed early is considered filed on the date it was due.

If your return is changed for any reason (for example, as a result of an audit of your return by IRS), it may affect your state income tax return. Contact your state tax agency for more information.

Death of Taxpayer

If a taxpayer died before filing a return for 1989, the taxpayer's spouse or personal representative may have to file and sign a return for the person who died. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased person's property.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

The person who files the return should write "deceased" after the deceased's name and show the date of death in the name and address space at the top of the return. Also write **"DECEASED"** across the top of the tax return.

If your spouse died in 1989 and you did not remarry in 1989, you can file a joint return. You can also file a joint return if your spouse died in 1990 before filing a 1989 return. A joint return should show your spouse's 1989 income before death and your income for all of 1989. Also write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

Claiming a Refund for a Deceased Person. If you are a surviving spouse filing a joint return with the deceased, file only the tax return to claim the refund. If you are a court-appointed representative, file the return **AND** attach a copy of the certificate that shows your appointment. All other filers requesting a refund of the deceased should file the return and attach **Form 1310.**

For more details, see **Tele-Tax Information** in the index (topic no. 158) or get **Pub. 559,** Tax Information for Survivors, Executors, and Administrators.

Instructions for Schedule A Itemized Deductions

Changes You Should Note

- Beginning in 1989, if you use your home telephone for business purposes, you may not deduct any of the basic local service charge (including taxes) for the first telephone line into your home.
- For taxable bonds acquired after December 31, 1987, you may not deduct any amortizable bond premium as interest on Schedule A. Instead, reduce the interest income on the bond by the amount of the premium. For details, see the instructions for Schedule B.

For taxable bonds acquired after October 22, 1986, and before January 1, 1988, you may choose to either deduct any amortizable bond premium as interest on Schedule A, line 11, or reduce your interest income on the bond as explained above.

Purpose

Some taxpayers should itemize their deductions because they will save money. See **Standard Deduction OR Itemized Deductions** on page 16.

If you itemize, you can deduct part of your medical and dental expenses and unreimbursed employee business expenses, and amounts you paid for certain taxes, interest, contributions, and certain miscellaneous expenses. You may also deduct certain moving expenses and casualty and theft losses.

Lines 1a through 4

Medical and Dental Expenses

Before you can figure your total deduction for medical and dental expenses, you must complete Form 1040 through line 32.

You may deduct only that part of your medical and dental expenses that is more than 7.5% of the amount on Form 1040, line 32.

Line 1a. Enter the amount you paid for doctors, dentists, nurses, and hospitals, prescription medicine and drugs, or for insulin, after you reduce these expenses by any payments received from insurance or other sources. Also include the total amount you paid for insurance premiums for medical and dental care.

***Caution:** If you were self-employed, **do not** include the amount of any health insurance you deducted on Form 1040, line 26.*

Line 1b. Enter the amounts spent for transportation and lodging, and other expenses such as hearing aids, dentures, eyeglasses, and contact lenses, after you reduce these expenses by any payments received from insurance or other sources. List the medical expense and the amount of the expense. Enter one total in the total amount column on line 1b.

***Note:** If your insurance company paid your doctor or dentist directly for part of your medical expenses, and you paid only the amount that remained, include in your medical expenses ONLY the amount that you paid.*

If you received a reimbursement in 1989 of prior year medical or dental expenses, do not reduce your 1989 expenses by this amount. You must include the reimbursement in income on Form 1040, line 22, if you deducted the medical expenses in the earlier year and the deduction reduced your tax. **Pub. 502** tells you how to figure the amount to include in income.

When you figure your deduction, you may include medical and dental bills you paid for:

- Yourself.
- Your spouse.
- All dependents you claim on your return.
- Your child whom you do not claim as a dependent because of the rules explained on page 8 for **Children of Divorced or Separated Parents.**
- Any person that you could have claimed as a dependent on your return if that person had not received $2,000 or more of gross income or had not filed a joint return.

Example. You provided more than half of your mother's support but may not claim her as a dependent because she received $2,000 of wages during 1989. If part of your support was the payment of her medical bills, you may include that part in your medical expenses.

Examples of Medical and Dental Payments You MAY Deduct

To the extent you were not reimbursed, you may deduct what you paid for:

- Prescription medicines and drugs, or insulin.
- Medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Nursing help. If you pay someone to do both nursing and housework, you may deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Medical treatment at a center for drug addicts or alcoholics.
- Medical aids such as hearing aid batteries, braces, crutches, wheelchairs, guide dogs and the cost of maintaining them.
- Lodging expenses (but not meals) paid while away from home to receive medical care in a hospital or a medical care facility that is related to a hospital. **Do not** include more than $50 a night for each eligible person.
- Ambulance service and other travel costs to get medical care. If you used your own car, you may claim what you spent for gas and oil to go to and from the place you received the care; or you may claim 9 cents a mile. Add parking and tolls to the amount you claim under either method.

Examples of Medical and Dental Payments You MAY NOT Deduct

- The basic cost of Medicare insurance (Medicare A).

***Note:** If you were 65 or older but not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.*

- Life insurance or income protection policies.
- The 1.45% Medicare (hospital insurance benefits) tax withheld from your pay as part of the social security tax or the Medicare tax paid as part of social security self-employment tax.

- Nursing care for a healthy baby. (You may qualify for the child and dependent care credit; get **Form 2441.**)
- Illegal operations or drugs.
- Nonprescription medicines or drugs.
- Travel your doctor told you to take for rest or change.
- Funeral, burial, or cremation costs.

Pub. 502 has a discussion of expenses that may and may not be deducted. It also explains when you may deduct capital expenditures and special care for handicapped persons.

Lines 5 through 8

Taxes You Paid

Taxes You MAY Deduct

Line 5—State and Local Income Taxes. Include on this line state and local income taxes that were withheld from your salary and any estimated payments made in 1989, including payments for a prior year. Also include any part of a prior year refund of state or local income taxes that you chose to have credited to your 1989 estimated state or local income taxes. **Do not** reduce your deduction by either of the following:

- Any state and local income tax refund (or credit) you expect to receive for 1989, or
- Any refund of (or credit for) prior year state and local income taxes you actually received in 1989 (see the instructions for Form 1040, line 10).

Line 6—Real Estate Taxes. Include taxes that you paid on property you own that was not used for business. **Pub. 530** explains the deductions homeowners may take.

If your mortgage payments include your real estate taxes, do not take a deduction for those taxes until the year the mortgage company actually pays them to the taxing authority.

Line 7—Other Taxes. If you had any deductible tax not listed on Schedule A, lines 5 or 6 (such as personal property or foreign income tax), list the tax and the amount of tax. Enter one total in the total amount column on line 7.

Personal property tax must be based on value alone. For example, if part of the fee you paid for the registration of your car was based on the car's value and part was based on its weight, you may deduct only the part based on value.

If you paid tax to a foreign country or U.S. possession, you may want to take it as a credit instead of a deduction. Please get **Pub. 514**.

Taxes You MAY NOT Deduct

- Federal income and excise taxes.
- Social security and railroad retirement (RRTA) taxes.
- Customs duties.
- Federal estate and gift taxes. (However, see **Expenses NOT Subject to the 2% Limit** on page 26.)
- Certain state and local taxes, including: general sales tax, tax on gasoline, car inspection fees, assessments for sidewalks or other improvements to your property, tax you paid for someone else, and license fees (marriage, driver's, dog, etc.).

Lines 9a through 13

Interest You Paid

Include interest you paid on nonbusiness items only. Whether your interest expense is treated as investment interest, personal interest, or business interest depends on how and when you used the loan proceeds. Get **Pub. 545**, Interest Expense, for details.

In general, if you paid interest in 1989 that includes amounts that apply to any period after 1989, you may deduct only the amount that applies for 1989.

***Note:** If you have a loan agreement that in any way refers to the "Rule of 78's," see Pub. 545.*

Interest You MAY Deduct

Lines 9a and 9b—Home Mortgage Interest. In most cases, you will be able to deduct all of your home mortgage interest. The following rules apply to any loans secured by your main home, including first and second mortgages, home equity loans, and refinanced mortgages. Whether your home mortgage interest is deductible depends on the date you took out the mortgage, the amount of the mortgage, and your use of its proceeds.

If ALL of your mortgages fit into one or more of categories **a, b,** and **c** below, you can deduct all of the interest on those mortgages and report it on Schedule A, line 9a or 9b, whichever applies. If one or more of your mortgages does not fit into any of the categories below, get **Pub. 936,** Limits on Home Mortgage Interest Deduction, to figure the amount of interest you can deduct.

a. Mortgages you took out on your main home ON or BEFORE October 13, 1987. These mortgages also include line-of-credit mortgages you had on October 13, 1987, and mortgages you had on October 13, 1987, that you refinanced after that date. But see **Special Rules** below if you refinanced or borrowed additional amounts on a line-of-credit mortgage after October 13, 1987.

b. Mortgages you took out on your main home AFTER October 13, 1987, to buy, build, or improve your home, but only if these mortgages plus any mortgages in **a** above totaled $1 million or less throughout 1989. The limit is $500,000 or less if married filing separately.

c. Mortgages you took out AFTER October 13, 1987, on your main home, OTHER THAN to buy, build, or improve your home, but only if these mortgages totaled $100,000 or less throughout 1989. The limit is $50,000 or less if married filing separately. An example is a home equity loan you used to pay off credit card bills, to buy a car, or to pay tuition costs.

Special Rules

Refinanced Mortgages.—If you had a mortgage on your home on October 13, 1987, and refinanced it after that date for no more than the balance of the old mortgage, all of the new mortgage is treated as a mortgage described in **a** above. But, if you refinanced it for more than the balance of the old mortgage, only the part of the new mortgage equal to the amount you owed on the old mortgage at the time you refinanced it is treated as a mortgage described in **a**. The part of the new mortgage that is more than the balance of the old mortgage is a mortgage described in **b** or **c** (or **b** and **c**. if a **mixed-use mortgage**—see below).

Line-of-Credit Mortgages.—If you had a line-of-credit mortgage on your home on October 13, 1987, and you borrowed additional amounts on this line of credit after that date, the additional amounts borrowed are treated as a mortgage taken out after October 13, 1987, and are subject to the rules under **b** or **c** (or **b** and **c** if a **mixed-use mortgage**—see below).

Mixed-Use Mortgages.—If you took out a new mortgage after October 13, 1987 (including refinancing for more than what you owed or borrowing additional amounts on a line-of-credit mortgage you had on October 13, 1987), for purposes described in both **b** and **c** above, you have a mixed-use mortgage. The mortgage proceeds used to buy, build, or improve the home fit into category **b** and the rest of the proceeds fit into category **c**.

***Note:** Additional limits apply if the total amount of all mortgages exceeds the fair market value of the home. See Pub. 936.*

What Is a Home.—A home may be a house, condominium, cooperative, mobile home, boat, or similar property. It must provide basic living accommodations including sleeping space, a toilet, and cooking facilities.

More Than One Home.—If you had a main home and a second home, the dollar limits explained in **b** and **c** above apply to the total mortgages on both homes. See Pub. 936 for more information.

Line 9a. Enter on line 9a deductible mortgage interest you paid directly, or indirectly, to financial institutions for which you received a **Form 1098,** Mortgage Interest Statement. (If you did not receive a Form 1098, enter the interest on line 9b.)

If you paid $600 or more of mortgage interest, the recipient will generally send you a Form 1098, or similar statement, by January 31, 1990, showing the total interest received during 1989. Any points you paid will not be shown.

If you paid more interest to financial institutions than is shown on Form 1098, get Pub. 545 to see if you can deduct the additional interest. If you can, attach a statement explaining the difference and write "See attached" next to line 9a.

***Note:** If you qualify for the Mortgage Interest Credit (see instructions for Form 1040, line 46), subtract the amount shown on line 3 of Form 8396 from the total deductible interest you paid on your home mortgage and enter the result on line 9a.*

Line 9b. If the recipient was not a financial institution or you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 9b.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name and address of that person. Next to line 9b, write "See attached."

Line 10—Points. Generally, points (including loan origination fees) charged

only for the use of money are deductible over the life of your mortgage. **Exception.** Points may be deducted in the year paid if the loan was used to **buy or improve your main home,** the loan was secured by that home, the points were paid with funds other than those obtained from the lender, it is customary to charge points in the area where the loan was made, and the points paid did not exceed the points usually charged in that area. This generally does not apply to points paid to refinance your mortgage. For more details, get **Pub. 545.**

Line 11—Investment Interest. Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to a passive activity.

Complete and attach **Form 4952,** Investment Interest Expense Deduction, to figure your deduction.

Exception. You do not have to file Form 4952 if **ALL** of the following apply:

- Your only investment income was from interest or dividends,
- You have no other deductible expenses connected with the production of the interest or dividends,
- Your investment interest expense is not more than your investment income,
- You have no carryovers of investment interest expense from 1988, and
- You have no passive activity losses.

For more details, get **Pub. 550,** Investment Income and Expenses.

Lines 12a and 12b—Personal Interest. For 1989, you can deduct only 20% of personal interest (such as interest paid on car loans and credit cards). Include on line 12a interest you paid on:

- Bank and other general purpose credit cards. Include the finance charge paid as interest if no part of it was for service charges, membership fees, loan fees, credit investigation fees, etc.
- Revolving charge accounts. Include finance charges if they were based on your monthly unpaid balances.
- Your personal note for money you borrowed from a bank, a credit union, or another person.
- Loans on life insurance if you paid the interest in cash and report on the cash basis.
- Installment loans on personal property, such as cars (including a business car used in your capacity as an employee) and appliances.
- Taxes you paid late. Show only the interest; do not include any amount that is considered a penalty. If the tax is deductible, show it under **Taxes You Paid** (lines 5 through 8 of this schedule).

Note: *Special rules apply to interest expense imputed on below-market loans. Get* ***Pub. 545.***

Interest You MAY NOT Deduct

Do not include interest paid on your debts by others, such as mortgage interest subsidy payments made by a government agency. Also do not include the interest you paid for:

- Certain loans against your interest in a 401(k) plan or a tax-sheltered annuity plan that were made, renewed, renegotiated, modified, or extended after 1986. (Get **Pub. 575,** Pension and Annuity Income (Including Simplified General Rule), for details.)
- Tax-exempt income. This includes interest on money you borrowed to buy or carry wholly tax-exempt securities. This also includes interest paid to purchase or carry obligations or shares, or to make deposits or other investments, to the extent any interest income received from the investment is tax exempt.
- A loan on life insurance if the interest is added to the loan and you report on the cash basis.
- A debt to buy a single-premium life insurance or endowment contract.
- Any kind of business transaction. (Use Schedule C, E, or F of Form 1040 to deduct business interest expenses.)

Get Pub. 545 for more details.

Lines 14 through 17

Gifts to Charity

You may deduct contributions or gifts you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You may also deduct what you gave to organizations that work to prevent cruelty to children or animals.

Examples of these organizations are:

- Churches, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' and certain cultural groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, state, and local governments if the gifts are solely for public purposes.

Caution: *If you contributed to a charitable organization and also received a benefit from it, you may deduct only the amount that is more than the value of the benefit you received. For more information, get* ***Pub. 526,*** *Charitable Contributions.*

If you do not know whether you may deduct what you gave to an organization, check with that organization or with IRS.

Contributions You MAY Deduct

Contributions may be in cash (keep canceled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described above. If you drove to and from the volunteer work, you may take 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. (But don't deduct any amounts that were repaid to you.)

Limit on the amount you may deduct

Get Pub. 526 to figure the amount of your deduction if any of the following applies:

- Your cash contributions or contributions of ordinary income property are more than 30% of Form 1040, line 32,
- Your gifts of capital gain property to certain organizations are more than 20% of Form 1040, line 32, or
- You gave gifts of property that increased in value or gave gifts of the use of property.

You MAY NOT Deduct As Contributions

- Travel expenses (including meals and lodging) while away from home unless there was no significant element of personal pleasure, recreation, or vacation in the travel.
- Political contributions.
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Value of any benefit, such as food, entertainment, or merchandise, that you received in connection with a contribution to a charitable organization.

Example. You paid $100 to a charitable organization to attend a fund-raising dinner. To figure the amount of your deductible charitable contribution, subtract the value of the dinner from the total amount you paid. If the value of the dinner was $40, your deductible contribution is $60.

- Cost of raffle, bingo, or lottery tickets.
- Cost of tuition.
- Value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).
- Gifts to:

a. Individuals.

b. Foreign organizations.

c. Groups that are run for personal profit.

d. Groups whose purpose is to lobby for changes in the laws.

e. Civic leagues, social and sports clubs, labor unions; and chambers of commerce.

Recordkeeping. If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization's name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:

a. How you figured the property's value at the time you gave it. (If the value was determined by an appraisal, you should also keep a signed copy of the appraisal.)

b. The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.

c. How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.

d. Any conditions attached to the gift.

Note: *If your total deduction for gifts of property is over $500, or if you gave less than your entire interest in the property, or you made a "qualified conservation contribution" under section 170(h), your records should contain additional information. Get Pub. 526 for details.*

Line 14. Enter the total contributions you made in cash or by check (including out-of-pocket expenses). If you gave $3,000 or more to any one organization, show to whom and how much you gave in the space provided.

Line 15. Enter your contributions of property. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. If the amount of your deduction is more than $500, you must complete and attach **Form 8283,** Noncash Charitable Contributions. If your total deduction is over $5,000, you may also have to get appraisals of the values of the donated property. For this purpose, the "amount of your deduction" means your deduction BEFORE applying any income limitations that could result in a carryover of contributions. See Form 8283 and its instructions for details.

Line 16. Enter on line 16 any carryover of contributions that you were not able to deduct in an earlier year because they exceeded your adjusted gross income limit. See Pub. 526 for details on how to figure a carryover.

Line 18

Casualty and Theft Losses

Use line 18 to report casualty or theft losses of property that is not trade or business, income-producing, or rent or royalty property. Complete and attach **Form 4684,** Casualties and Thefts, to figure your loss. Enter on line 18 of Schedule A the amount of loss from Form 4684.

Losses You MAY Deduct

You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat, and other accidents or similar causes. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution.

You may deduct nonbusiness casualty or theft losses only to the extent that—

a. the amount of **EACH** separate casualty or theft loss is more than $100, and

b. the total amount of **ALL** losses during the year is more than 10% of your adjusted gross income on Form 1040, line 32.

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. Get Form 4684 for details.

Losses You MAY NOT Deduct

- Money or property misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

Use line 21 of Schedule A to deduct the costs of proving that you had a property loss. (Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.)

For more details, get **Pub. 547,** Nonbusiness Disasters, Casualties, and Thefts. It also gives information about Federal disaster area losses.

Line 19

Moving Expenses

Employees and self-employed persons (including partners) can deduct certain moving expenses.

You can take this deduction if you moved in connection with your job or business and your new workplace is at least 35 miles farther from your old home than your old home was from your old workplace. If you had no former workplace, your new workplace must be at least 35 miles from your old home. If you meet these requirements, see **Tele-Tax Information** in the index (topic no. 304) or **Pub. 521,** Moving Expenses. Complete and attach **Form 3903** to figure the amount of moving expenses to enter on line 19. If you began work at a new workplace outside the United States or its possessions, get **Form 3903F,** Foreign Moving Expenses.

Lines 20 through 25

Miscellaneous Deductions

Most miscellaneous deductions cannot be deducted in full. You must subtract 2% of your adjusted gross income from the total. You figure the 2% limit on line 23.

Generally, the 2% limit applies to job expenses you paid for which you were not reimbursed (line 20). The limit also applies to certain expenses you paid to produce or collect taxable income (line 21). See the instructions for lines 20 and 21 for examples of expenses to claim on these lines.

The 2% limit does not apply to certain other miscellaneous expenses that you may deduct. These expenses can be deducted in full on line 25. The line 25 instructions describe these expenses. Included are deductible gambling losses (to the extent of winnings) and certain job expenses of handicapped employees. See **Pub. 529,** Miscellaneous Deductions, for more information.

Expenses Subject to the 2% Limit (Lines 20 and 21)

Line 20. Use this line to report job expenses you paid for which you were not reimbursed. In some cases you MUST first fill out **Form 2106,** Employee Business Expenses. Fill out Form 2106 if:

1. You claim any travel, transportation, meal, or entertainment expenses for your job; OR

2. Your employer paid you for any of your job expenses reportable on line 20.

If 1 or 2 above applies, enter the amount from line 13 of Form 2106 on line 20 of Schedule A.

If you don't have to fill out Form 2106, just list the type and amount of your expenses on the dotted line for line 20. If you need more space, attach a statement showing the type and amount of the expense. Enter one total in the amount space for line 20.

Examples of expenses to include on line 20 are:

- Travel, transportation, meal, or entertainment expense. (***Note:*** *If you have any of these expenses, you must use Form 2106 for all of your job expenses).*
- Union dues.
- Safety equipment, small tools, and supplies you needed for your job.
- Uniforms your employer said you must have, and which you may not usually wear away from work.
- Protective clothing, required in your work, such as hard hats and safety shoes and glasses.
- Physical examinations your employer said you must have.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Business use of part of your home but only if you use that part exclusively and on a regular basis in your work and for the convenience of your employer. For details, including limits that apply, see **Tele-Tax Information** in the index (topic no. 309) or **Pub. 587,** Business Use of Your Home.
- Education expenses you paid that were required by your employer, or by law or regulations, to keep your salary or job. In general, you may also include the cost of keeping or improving skills you must have in your job. For more details, see **Tele-Tax Information** in the index (topic no. 313) or **Pub. 508,** Educational Expenses. Some education expenses are not deductible. See **Expenses You MAY NOT Deduct.**
- Deduction for repayment of amounts under a claim of right if $3,000 or less.

Line 21. Use this line for amounts you paid to produce or collect taxable income, manage or protect property held for earning income, and for tax preparation fees. List the type and amount of each expense on the dotted lines for line 21. If you need more space, attach a statement showing the type and amount of each expense. Enter one total in the amount space for line 21. Examples of these expenses are:

- Tax return preparation fee.
- Safe deposit box rental.
- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (e.g., trust account) fees.
- Your share of the investment expenses of a regulated investment company.
- Certain losses on nonfederally insured deposits in an insolvent or bankrupt financial institution. For more information (including limits on the amount you can deduct), see Pub. 529.

Expenses NOT Subject to the 2% Limit (Line 25)

Use this line to report miscellaneous deductions that are NOT subject to the 2% AGI limit. Only the expenses listed below can be deducted on line 25:

- Gambling losses to the extent of gambling winnings. Report gambling winnings on Form 1040, line 22.
- Federal estate tax on income in respect of a decedent.
- Amortizable bond premium on bonds acquired before October 23, 1986.
- Deduction for repayment of amounts under a claim of right if more than $3,000. See Pub. 525.
- Unrecovered investment in a pension.
- Impairment-related work expenses of a handicapped person.

List the type and amount of each expense. Enter one total in the amount space for line 25. For more information on these expenses, get Pub. 529.

Expenses You MAY NOT Deduct

Some expenses are not deductible at all. Examples are:

- Political contributions.
- Personal legal expenses.
- Lost or misplaced cash or property (but see casualty and theft losses).
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Expenses of going to or from work.
- Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Expenses of:

a. Travel as a form of education.

b. Attending a seminar, convention, or similar meeting unless it is related to your employment.

c. Adopting a child, including a child with special needs.

- Fines and penalties.
- Expenses of producing tax-exempt income.

Instructions for Schedule B

Interest and Dividend Income

Purpose

Use Schedule B if you are filing Form 1040 and you:

- Had more than $400 in taxable interest,
- Had more than $400 in dividends,
- Had a foreign account, or
- Were a grantor of, or transferor to, a foreign trust.

Part III of the schedule asks you to answer questions about foreign accounts and trusts.

Part I

Interest Income

To see what interest income you must report, read the instructions for Form 1040, line 8a, on page 10.

The payer should send you a **Form 1099-INT** or **Form 1099-OID,** if applicable, showing interest you must report. A copy of the form is also sent to IRS. If the total taxable interest from all payers is over $400, fill in Parts I and III.

Line 1

Report on line 1 the interest portion of any payments you received from an individual based on a take-back mortgage or other form of seller financing that resulted from the sale of your home or other property. Show the payer's name and the amount.

Line 2

Report on line 2 **ALL** taxable interest (other than seller-financed mortgage interest) that you received or that was credited to your account so you could withdraw it. List each payer's name and show the amount.

Nominees. Include on line 2 interest you received, as a nominee, that actually belongs to another person (such as your child). Several lines above line 3, put a subtotal of all interest income listed on lines 1 and 2. Below this subtotal, write "Nominee Distribution" and show the interest amounts you received as a nominee. Subtract these amounts from the subtotal and enter the result on line 3.

***Note:** If you received interest as a nominee, you must give the actual owner a **Form 1099-INT,** unless the owner is your spouse.*

Accrued Interest. When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller. If you received a Form 1099 for interest as a purchaser of a bond with accrued interest, follow the rules above under **Nominees** to see how to report the accrued interest on Schedule B. But identify the amount to be subtracted as "Accrued Interest."

Tax-Exempt Interest. If you received a **Form 1099-INT** for tax-exempt interest, such as from municipal bonds, report the interest on line 2. Several lines above line 3, put a subtotal of all interest listed on lines 1 and 2. Below this subtotal, write "Tax-Exempt Interest" and show the amount. Subtract this amount from the subtotal and enter the result on line 3. Be sure to also include this tax-exempt interest on Form 1040, line 8b.

Original Issue Discount (OID). If you are reporting OID in an amount less than the amount shown on Form 1099-OID, follow the rules above for **Nominees** or **Accrued Interest,** whichever applies, to see how to report the OID on Schedule B. But identify the amount to be subtracted as "OID Adjustment."

Amortizable Bond Premium. If you are reducing your interest income on a bond by the amount of amortizable bond premium, report the total interest on the bond on line 2. Several lines above line 3, put a subtotal of all interest listed on lines 1 and 2. Below this subtotal, write "ABP Adjustment" and show the amount. Subtract this amount from the subtotal and enter the result on line 3.

Part II

Dividend Income

To see what dividend income you must report, read the instructions for Form 1040, line 9, on page 10.

The payer should send you a **Form 1099-DIV** showing dividends you must report. A copy of the form is also sent to IRS. If the total dividends from all payers are over $400, fill in Parts II and III.

Line 4

Report on line 4 **ALL** of your dividend income. Include capital gain and nontaxable distributions. They will be deducted on lines 6 and 7. Include cash and the value of stock, property, or merchandise you received as a dividend. If you owned shares in a mutual fund, see **Pub. 564,** Mutual Fund Distributions.

List the payer's name and show the amount of income. If securities are held by a brokerage firm (in "street name"), list the name of the brokerage firm shown on **Form 1099-DIV.**

Nominees. Include on line 4 all dividends you received, including dividends you received, as a nominee, that actually belong to another person (such as your child), even if you later distributed some or all of this income to others. Several lines above line 5, put a subtotal of all dividends listed on line 4. Below this subtotal, write "Nominee Distribution" and show the amounts you received as a nominee. Subtract these amounts from the subtotal and enter the result on line 5.

***Note:** If you received dividends as a nominee, you must give the actual owner a **Form 1099-DIV,** unless the owner is your spouse.*

Part III

Foreign Accounts and Foreign Trusts

Fill in this part if you had more than $400 of interest or dividend income; if you had a foreign financial account; or if you were the grantor of, or transferor to, a foreign trust.

Lines 10a and 10b

Check the **Yes** box on line 10a if either 1 or 2 below applies to you.

1. At any time during the year you had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

Exception. Check **No** if any of the following applies to you:

- The combined value of the accounts was $10,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.
- You are an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation; the account is in your employer's name; **AND** you do not have a personal financial interest in the account.
- You are an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than $1 million and 500 or more shareholders of record; the account is in your employer's name; you do not have a personal financial interest in the account; and the corporation's chief financial officer has given you written notice that the corporation has filed a current report that includes the account.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get **Form TD F 90-22.1** to see if you are considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account). You can get the form by writing to the IRS Forms Distribution Center for your state, as shown on the inside back cover.

If you checked the **Yes** box on line 10a, file Form TD F 90-22.1 by June 30, 1990, with the **Department of the Treasury** at the address shown on that form. **Do not** attach Form TD F 90-22.1 to Form 1040.

If you checked the **Yes** box on line 10a, write the name of the foreign country or countries in the space provided on line 10b. Attach a separate sheet if you need more space.

Notes

1989 Tax Table

Use if your taxable income is less than $50,000. If $50,000 or more, use the Tax Rate Schedules.

Example: Mr. and Mrs. Brown are filing a joint return. Their taxable income on line 37 of Form 1040 is $25,300. First, they find the $25,300–25,350 income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the income line and filing status column meet is $3,799. This is the tax amount they must write on line 38 of their return.

At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
25,200	25,250	4,652	3,784	5,051	3,833
25,250	25,300	4,666	3,791	5,065	3,847
25,300	25,350	4,680	3,799	5,079	3,861
25,350	25,400	4,694	3,806	5,093	3,875

If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—			
$0	$5	$0	$0	$0	$0
5	15	2	2	2	2
15	25	3	3	3	3
25	50	6	6	6	6
50	75	9	9	9	9
75	100	13	13	13	13
100	125	17	17	17	17
125	150	21	21	21	21
150	175	24	24	24	24
175	200	28	28	28	28
200	225	32	32	32	32
225	250	36	36	36	36
250	275	39	39	39	39
275	300	43	43	43	43
300	325	47	47	47	47
325	350	51	51	51	51
350	375	54	54	54	54
375	400	58	58	58	58
400	425	62	62	62	62
425	450	66	66	66	66
450	475	69	69	69	69
475	500	73	73	73	73
500	525	77	77	77	77
525	550	81	81	81	81
550	575	84	84	84	84
575	600	88	88	88	88
600	625	92	92	92	92
625	650	96	96	96	96
650	675	99	99	99	99
675	700	103	103	103	103
700	725	107	107	107	107
725	750	111	111	111	111
750	775	114	114	114	114
775	800	118	118	118	118
800	825	122	122	122	122
825	850	126	126	126	126
850	875	129	129	129	129
875	900	133	133	133	133
900	925	137	137	137	137
925	950	141	141	141	141
950	975	144	144	144	144
975	1,000	148	148	148	148
1,000					
1,000	1,025	152	152	152	152
1,025	1,050	156	156	156	156
1,050	1,075	159	159	159	159
1,075	1,100	163	163	163	163
1,100	1,125	167	167	167	167
1,125	1,150	171	171	171	171
1,150	1,175	174	174	174	174
1,175	1,200	178	178	178	178
1,200	1,225	182	182	182	182
1,225	1,250	186	186	186	186
1,250	1,275	189	189	189	189
1,275	1,300	193	193	193	193
1,300	1,325	197	197	197	197
1,325	1,350	201	201	201	201
1,350	1,375	204	204	204	204
1,375	1,400	208	208	208	208
1,400	1,425	212	212	212	212
1,425	1,450	216	216	216	216
1,450	1,475	219	219	219	219
1,475	1,500	223	223	223	223
1,500	1,525	227	227	227	227
1,525	1,550	231	231	231	231
1,550	1,575	234	234	234	234
1,575	1,600	238	238	238	238
1,600	1,625	242	242	242	242
1,625	1,650	246	246	246	246
1,650	1,675	249	249	249	249
1,675	1,700	253	253	253	253
1,700	1,725	257	257	257	257
1,725	1,750	261	261	261	261
1,750	1,775	264	264	264	264
1,775	1,800	268	268	268	268
1,800	1,825	272	272	272	272
1,825	1,850	276	276	276	276
1,850	1,875	279	279	279	279
1,875	1,900	283	283	283	283
1,900	1,925	287	287	287	287
1,925	1,950	291	291	291	291
1,950	1,975	294	294	294	294
1,975	2,000	298	298	298	298
2,000					
2,000	2,025	302	302	302	302
2,025	2,050	306	306	306	306
2,050	2,075	309	309	309	309
2,075	2,100	313	313	313	313
2,100	2,125	317	317	317	317
2,125	2,150	321	321	321	321
2,150	2,175	324	324	324	324
2,175	2,200	328	328	328	328
2,200	2,225	332	332	332	332
2,225	2,250	336	336	336	336
2,250	2,275	339	339	339	339
2,275	2,300	343	343	343	343
2,300	2,325	347	347	347	347
2,325	2,350	351	351	351	351
2,350	2,375	354	354	354	354
2,375	2,400	358	358	358	358
2,400	2,425	362	362	362	362
2,425	2,450	366	366	366	366
2,450	2,475	369	369	369	369
2,475	2,500	373	373	373	373
2,500	2,525	377	377	377	377
2,525	2,550	381	381	381	381
2,550	2,575	384	384	384	384
2,575	2,600	388	388	388	388
2,600	2,625	392	392	392	392
2,625	2,650	396	396	396	396
2,650	2,675	399	399	399	399
2,675	2,700	403	403	403	403
2,700	2,725	407	407	407	407
2,725	2,750	411	411	411	411
2,750	2,775	414	414	414	414
2,775	2,800	418	418	418	418
2,800	2,825	422	422	422	422
2,825	2,850	426	426	426	426
2,850	2,875	429	429	429	429
2,875	2,900	433	433	433	433
2,900	2,925	437	437	437	437
2,925	2,950	441	441	441	441
2,950	2,975	444	444	444	444
2,975	3,000	448	448	448	448
3,000					
3,000	3,050	454	454	454	454
3,050	3,100	461	461	461	461
3,100	3,150	469	469	469	469
3,150	3,200	476	476	476	476
3,200	3,250	484	484	484	484
3,250	3,300	491	491	491	491
3,300	3,350	499	499	499	499
3,350	3,400	506	506	506	506
3,400	3,450	514	514	514	514
3,450	3,500	521	521	521	521
3,500	3,550	529	529	529	529
3,550	3,600	536	536	536	536
3,600	3,650	544	544	544	544
3,650	3,700	551	551	551	551
3,700	3,750	559	559	559	559
3,750	3,800	566	566	566	566
3,800	3,850	574	574	574	574
3,850	3,900	581	581	581	581
3,900	3,950	589	589	589	589
3,950	4,000	596	596	596	596
4,000					
4,000	4,050	604	604	604	604
4,050	4,100	611	611	611	611
4,100	4,150	619	619	619	619
4,150	4,200	626	626	626	626
4,200	4,250	634	634	634	634
4,250	4,300	641	641	641	641
4,300	4,350	649	649	649	649
4,350	4,400	656	656	656	656
4,400	4,450	664	664	664	664
4,450	4,500	671	671	671	671
4,500	4,550	679	679	679	679
4,550	4,600	686	686	686	686
4,600	4,650	694	694	694	694
4,650	4,700	701	701	701	701
4,700	4,750	709	709	709	709
4,750	4,800	716	716	716	716
4,800	4,850	724	724	724	724
4,850	4,900	731	731	731	731
4,900	4,950	739	739	739	739
4,950	5,000	746	746	746	746

Continued on next page

* This column must also be used by a qualifying widow(er).

1989 Tax Table—*Continued*

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
5,000						**8,000**						**11,000**					
5,000	5,050	754	754	754	754	8,000	8,050	1,204	1,204	1,204	1,204	11,000	11,050	1,654	1,654	1,654	1,654
5,050	5,100	761	761	761	761	8,050	8,100	1,211	1,211	1,211	1,211	11,050	11,100	1,661	1,661	1,661	1,661
5,100	5,150	769	769	769	769	8,100	8,150	1,219	1,219	1,219	1,219	11,100	11,150	1,669	1,669	1,669	1,669
5,150	5,200	776	776	776	776	8,150	8,200	1,226	1,226	1,226	1,226	11,150	11,200	1,676	1,676	1,676	1,676
5,200	5,250	784	784	784	784	8,200	8,250	1,234	1,234	1,234	1,234	11,200	11,250	1,684	1,684	1,684	1,684
5,250	5,300	791	791	791	791	8,250	8,300	1,241	1,241	1,241	1,241	11,250	11,300	1,691	1,691	1,691	1,691
5,300	5,350	799	799	799	799	8,300	8,350	1,249	1,249	1,249	1,249	11,300	11,350	1,699	1,699	1,699	1,699
5,350	5,400	806	806	806	806	8,350	8,400	1,256	1,256	1,256	1,256	11,350	11,400	1,706	1,706	1,706	1,706
5,400	5,450	814	814	814	814	8,400	8,450	1,264	1,264	1,264	1,264	11,400	11,450	1,714	1,714	1,714	1,714
5,450	5,500	821	821	821	821	8,450	8,500	1,271	1,271	1,271	1,271	11,450	11,500	1,721	1,721	1,721	1,721
5,500	5,550	829	829	829	829	8,500	8,550	1,279	1,279	1,279	1,279	11,500	11,550	1,729	1,729	1,729	1,729
5,550	5,600	836	836	836	836	8,550	8,600	1,286	1,286	1,286	1,286	11,550	11,600	1,736	1,736	1,736	1,736
5,600	5,650	844	844	844	844	8,600	8,650	1,294	1,294	1,294	1,294	11,600	11,650	1,744	1,744	1,744	1,744
5,650	5,700	851	851	851	851	8,650	8,700	1,301	1,301	1,301	1,301	11,650	11,700	1,751	1,751	1,751	1,751
5,700	5,750	859	859	859	859	8,700	8,750	1,309	1,309	1,309	1,309	11,700	11,750	1,759	1,759	1,759	1,759
5,750	5,800	866	866	866	866	8,750	8,800	1,316	1,316	1,316	1,316	11,750	11,800	1,766	1,766	1,766	1,766
5,800	5,850	874	874	874	874	8,800	8,850	1,324	1,324	1,324	1,324	11,800	11,850	1,774	1,774	1,774	1,774
5,850	5,900	881	881	881	881	8,850	8,900	1,331	1,331	1,331	1,331	11,850	11,900	1,781	1,781	1,781	1,781
5,900	5,950	889	889	889	889	8,900	8,950	1,339	1,339	1,339	1,339	11,900	11,950	1,789	1,789	1,789	1,789
5,950	6,000	896	896	896	896	8,950	9,000	1,346	1,346	1,346	1,346	11,950	12,000	1,796	1,796	1,796	1,796
6,000						**9,000**						**12,000**					
6,000	6,050	904	904	904	904	9,000	9,050	1,354	1,354	1,354	1,354	12,000	12,050	1,804	1,804	1,804	1,804
6,050	6,100	911	911	911	911	9,050	9,100	1,361	1,361	1,361	1,361	12,050	12,100	1,811	1,811	1,811	1,811
6,100	6,150	919	919	919	919	9,100	9,150	1,369	1,369	1,369	1,369	12,100	12,150	1,819	1,819	1,819	1,819
6,150	6,200	926	926	926	926	9,150	9,200	1,376	1,376	1,376	1,376	12,150	12,200	1,826	1,826	1,826	1,826
6,200	6,250	934	934	934	934	9,200	9,250	1,384	1,384	1,384	1,384	12,200	12,250	1,834	1,834	1,834	1,834
6,250	6,300	941	941	941	941	9,250	9,300	1,391	1,391	1,391	1,391	12,250	12,300	1,841	1,841	1,841	1,841
6,300	6,350	949	949	949	949	9,300	9,350	1,399	1,399	1,399	1,399	12,300	12,350	1,849	1,849	1,849	1,849
6,350	6,400	956	956	956	956	9,350	9,400	1,406	1,406	1,406	1,406	12,350	12,400	1,856	1,856	1,856	1,856
6,400	6,450	964	964	964	964	9,400	9,450	1,414	1,414	1,414	1,414	12,400	12,450	1,864	1,864	1,864	1,864
6,450	6,500	971	971	971	971	9,450	9,500	1,421	1,421	1,421	1,421	12,450	12,500	1,871	1,871	1,871	1,871
6,500	6,550	979	979	979	979	9,500	9,550	1,429	1,429	1,429	1,429	12,500	12,550	1,879	1,879	1,879	1,879
6,550	6,600	986	986	986	986	9,550	9,600	1,436	1,436	1,436	1,436	12,550	12,600	1,886	1,886	1,886	1,886
6,600	6,650	994	994	994	994	9,600	9,650	1,444	1,444	1,444	1,444	12,600	12,650	1,894	1,894	1,894	1,894
6,650	6,700	1,001	1,001	1,001	1,001	9,650	9,700	1,451	1,451	1,451	1,451	12,650	12,700	1,901	1,901	1,901	1,901
6,700	6,750	1,009	1,009	1,009	1,009	9,700	9,750	1,459	1,459	1,459	1,459	12,700	12,750	1,909	1,909	1,909	1,909
6,750	6,800	1,016	1,016	1,016	1,016	9,750	9,800	1,466	1,466	1,466	1,466	12,750	12,800	1,916	1,916	1,916	1,916
6,800	6,850	1,024	1,024	1,024	1,024	9,800	9,850	1,474	1,474	1,474	1,474	12,800	12,850	1,924	1,924	1,924	1,924
6,850	6,900	1,031	1,031	1,031	1,031	9,850	9,900	1,481	1,481	1,481	1,481	12,850	12,900	1,931	1,931	1,931	1,931
6,900	6,950	1,039	1,039	1,039	1,039	9,900	9,950	1,489	1,489	1,489	1,489	12,900	12,950	1,939	1,939	1,939	1,939
6,950	7,000	1,046	1,046	1,046	1,046	9,950	10,000	1,496	1,496	1,496	1,496	12,950	13,000	1,946	1,946	1,946	1,946
7,000						**10,000**						**13,000**					
7,000	7,050	1,054	1,054	1,054	1,054	10,000	10,050	1,504	1,504	1,504	1,504	13,000	13,050	1,954	1,954	1,954	1,954
7,050	7,100	1,061	1,061	1,061	1,061	10,050	10,100	1,511	1,511	1,511	1,511	13,050	13,100	1,961	1,961	1,961	1,961
7,100	7,150	1,069	1,069	1,069	1,069	10,100	10,150	1,519	1,519	1,519	1,519	13,100	13,150	1,969	1,969	1,969	1,969
7,150	7,200	1,076	1,076	1,076	1,076	10,150	10,200	1,526	1,526	1,526	1,526	13,150	13,200	1,976	1,976	1,976	1,976
7,200	7,250	1,084	1,084	1,084	1,084	10,200	10,250	1,534	1,534	1,534	1,534	13,200	13,250	1,984	1,984	1,984	1,984
7,250	7,300	1,091	1,091	1,091	1,091	10,250	10,300	1,541	1,541	1,541	1,541	13,250	13,300	1,991	1,991	1,991	1,991
7,300	7,350	1,099	1,099	1,099	1,099	10,300	10,350	1,549	1,549	1,549	1,549	13,300	13,350	1,999	1,999	1,999	1,999
7,350	7,400	1,106	1,106	1,106	1,106	10,350	10,400	1,556	1,556	1,556	1,556	13,350	13,400	2,006	2,006	2,006	2,006
7,400	7,450	1,114	1,114	1,114	1,114	10,400	10,450	1,564	1,564	1,564	1,564	13,400	13,450	2,014	2,014	2,014	2,014
7,450	7,500	1,121	1,121	1,121	1,121	10,450	10,500	1,571	1,571	1,571	1,571	13,450	13,500	2,021	2,021	2,021	2,021
7,500	7,550	1,129	1,129	1,129	1,129	10,500	10,550	1,579	1,579	1,579	1,579	13,500	13,550	2,029	2,029	2,029	2,029
7,550	7,600	1,136	1,136	1,136	1,136	10,550	10,600	1,586	1,586	1,586	1,586	13,550	13,600	2,036	2,036	2,036	2,036
7,600	7,650	1,144	1,144	1,144	1,144	10,600	10,650	1,594	1,594	1,594	1,594	13,600	13,650	2,044	2,044	2,044	2,044
7,650	7,700	1,151	1,151	1,151	1,151	10,650	10,700	1,601	1,601	1,601	1,601	13,650	13,700	2,051	2,051	2,051	2,051
7,700	7,750	1,159	1,159	1,159	1,159	10,700	10,750	1,609	1,609	1,609	1,609	13,700	13,750	2,059	2,059	2,059	2,059
7,750	7,800	1,166	1,166	1,166	1,166	10,750	10,800	1,616	1,616	1,616	1,616	13,750	13,800	2,066	2,066	2,066	2,066
7,800	7,850	1,174	1,174	1,174	1,174	10,800	10,850	1,624	1,624	1,624	1,624	13,800	13,850	2,074	2,074	2,074	2,074
7,850	7,900	1,181	1,181	1,181	1,181	10,850	10,900	1,631	1,631	1,631	1,631	13,850	13,900	2,081	2,081	2,081	2,081
7,900	7,950	1,189	1,189	1,189	1,189	10,900	10,950	1,639	1,639	1,639	1,639	13,900	13,950	2,089	2,089	2,089	2,089
7,950	8,000	1,196	1,196	1,196	1,196	10,950	11,000	1,646	1,646	1,646	1,646	13,950	14,000	2,096	2,096	2,096	2,096

* This column must also be used by a qualifying widow(er).

Continued on next page

1989 Tax Table—*Continued*

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
14,000						**17,000**						**20,000**					
14,000	14,050	2,104	2,104	2,104	2,104	17,000	17,050	2,554	2,554	2,755	2,554	20,000	20,050	3,196	3,004	3,595	3,004
14,050	14,100	2,111	2,111	2,111	2,111	17,050	17,100	2,561	2,561	2,769	2,561	20,050	20,100	3,210	3,011	3,609	3,011
14,100	14,150	2,119	2,119	2,119	2,119	17,100	17,150	2,569	2,569	2,783	2,569	20,100	20,150	3,224	3,019	3,623	3,019
14,150	14,200	2,126	2,126	2,126	2,126	17,150	17,200	2,576	2,576	2,797	2,576	20,150	20,200	3,238	3,026	3,637	3,026
14,200	14,250	2,134	2,134	2,134	2,134	17,200	17,250	2,584	2,584	2,811	2,584	20,200	20,250	3,252	3,034	3,651	3,034
14,250	14,300	2,141	2,141	2,141	2,141	17,250	17,300	2,591	2,591	2,825	2,591	20,250	20,300	3,266	3,041	3,665	3,041
14,300	14,350	2,149	2,149	2,149	2,149	17,300	17,350	2,599	2,599	2,839	2,599	20,300	20,350	3,280	3,049	3,679	3,049
14,350	14,400	2,156	2,156	2,156	2,156	17,350	17,400	2,606	2,606	2,853	2,606	20,350	20,400	3,294	3,056	3,693	3,056
14,400	14,450	2,164	2,164	2,164	2,164	17,400	17,450	2,614	2,614	2,867	2,614	20,400	20,450	3,308	3,064	3,707	3,064
14,450	14,500	2,171	2,171	2,171	2,171	17,450	17,500	2,621	2,621	2,881	2,621	20,450	20,500	3,322	3,071	3,721	3,071
14,500	14,550	2,179	2,179	2,179	2,179	17,500	17,550	2,629	2,629	2,895	2,629	20,500	20,550	3,336	3,079	3,735	3,079
14,550	14,600	2,186	2,186	2,186	2,186	17,550	17,600	2,636	2,636	2,909	2,636	20,550	20,600	3,350	3,086	3,749	3,086
14,600	14,650	2,194	2,194	2,194	2,194	17,600	17,650	2,644	2,644	2,923	2,644	20,600	20,650	3,364	3,094	3,763	3,094
14,650	14,700	2,201	2,201	2,201	2,201	17,650	17,700	2,651	2,651	2,937	2,651	20,650	20,700	3,378	3,101	3,777	3,101
14,700	14,750	2,209	2,209	2,209	2,209	17,700	17,750	2,659	2,659	2,951	2,659	20,700	20,750	3,392	3,109	3,791	3,109
14,750	14,800	2,216	2,216	2,216	2,216	17,750	17,800	2,666	2,666	2,965	2,666	20,750	20,800	3,406	3,116	3,805	3,116
14,800	14,850	2,224	2,224	2,224	2,224	17,800	17,850	2,674	2,674	2,979	2,674	20,800	20,850	3,420	3,124	3,819	3,124
14,850	14,900	2,231	2,231	2,231	2,231	17,850	17,900	2,681	2,681	2,993	2,681	20,850	20,900	3,434	3,131	3,833	3,131
14,900	14,950	2,239	2,239	2,239	2,239	17,900	17,950	2,689	2,689	3,007	2,689	20,900	20,950	3,448	3,139	3,847	3,139
14,950	15,000	2,246	2,246	2,246	2,246	17,950	18,000	2,696	2,696	3,021	2,696	20,950	21,000	3,462	3,146	3,861	3,146
15,000						**18,000**						**21,000**					
15,000	15,050	2,254	2,254	2,254	2,254	18,000	18,050	2,704	2,704	3,035	2,704	21,000	21,050	3,476	3,154	3,875	3,154
15,050	15,100	2,261	2,261	2,261	2,261	18,050	18,100	2,711	2,711	3,049	2,711	21,050	21,100	3,490	3,161	3,889	3,161
15,100	15,150	2,269	2,269	2,269	2,269	18,100	18,150	2,719	2,719	3,063	2,719	21,100	21,150	3,504	3,169	3,903	3,169
15,150	15,200	2,276	2,276	2,276	2,276	18,150	18,200	2,726	2,726	3,077	2,726	21,150	21,200	3,518	3,176	3,917	3,176
15,200	15,250	2,284	2,284	2,284	2,284	18,200	18,250	2,734	2,734	3,091	2,734	21,200	21,250	3,532	3,184	3,931	3,184
15,250	15,300	2,291	2,291	2,291	2,291	18,250	18,300	2,741	2,741	3,105	2,741	21,250	21,300	3,546	3,191	3,945	3,191
15,300	15,350	2,299	2,299	2,299	2,299	18,300	18,350	2,749	2,749	3,119	2,749	21,300	21,350	3,560	3,199	3,959	3,199
15,350	15,400	2,306	2,306	2,306	2,306	18,350	18,400	2,756	2,756	3,133	2,756	21,350	21,400	3,574	3,206	3,973	3,206
15,400	15,450	2,314	2,314	2,314	2,314	18,400	18,450	2,764	2,764	3,147	2,764	21,400	21,450	3,588	3,214	3,987	3,214
15,450	15,500	2,321	2,321	2,321	2,321	18,450	18,500	2,771	2,771	3,161	2,771	21,450	21,500	3,602	3,221	4,001	3,221
15,500	15,550	2,329	2,329	2,335	2,329	18,500	18,550	2,779	2,779	3,175	2,779	21,500	21,550	3,616	3,229	4,015	3,229
15,550	15,600	2,336	2,336	2,349	2,336	18,550	18,600	2,790	2,786	3,189	2,786	21,550	21,600	3,630	3,236	4,029	3,236
15,600	15,650	2,344	2,344	2,363	2,344	18,600	18,650	2,804	2,794	3,203	2,794	21,600	21,650	3,644	3,244	4,043	3,244
15,650	15,700	2,351	2,351	2,377	2,351	18,650	18,700	2,818	2,801	3,217	2,801	21,650	21,700	3,658	3,251	4,057	3,251
15,700	15,750	2,359	2,359	2,391	2,359	18,700	18,750	2,832	2,809	3,231	2,809	21,700	21,750	3,672	3,259	4,071	3,259
15,750	15,800	2,366	2,366	2,405	2,366	18,750	18,800	2,846	2,816	3,245	2,816	21,750	21,800	3,686	3,266	4,085	3,266
15,800	15,850	2,374	2,374	2,419	2,374	18,800	18,850	2,860	2,824	3,259	2,824	21,800	21,850	3,700	3,274	4,099	3,274
15,850	15,900	2,381	2,381	2,433	2,381	18,850	18,900	2,874	2,831	3,273	2,831	21,850	21,900	3,714	3,281	4,113	3,281
15,900	15,950	2,389	2,389	2,447	2,389	18,900	18,950	2,888	2,839	3,287	2,839	21,900	21,950	3,728	3,289	4,127	3,289
15,950	16,000	2,396	2,396	2,461	2,396	18,950	19,000	2,902	2,846	3,301	2,846	21,950	22,000	3,742	3,296	4,141	3,296
16,000						**19,000**						**22,000**					
16,000	16,050	2,404	2,404	2,475	2,404	19,000	19,050	2,916	2,854	3,315	2,854	22,000	22,050	3,756	3,304	4,155	3,304
16,050	16,100	2,411	2,411	2,489	2,411	19,050	19,100	2,930	2,861	3,329	2,861	22,050	22,100	3,770	3,311	4,169	3,311
16,100	16,150	2,419	2,419	2,503	2,419	19,100	19,150	2,944	2,869	3,343	2,869	22,100	22,150	3,784	3,319	4,183	3,319
16,150	16,200	2,426	2,426	2,517	2,426	19,150	19,200	2,958	2,876	3,357	2,876	22,150	22,200	3,798	3,326	4,197	3,326
16,200	16,250	2,434	2,434	2,531	2,434	19,200	19,250	2,972	2,884	3,371	2,884	22,200	22,250	3,812	3,334	4,211	3,334
16,250	16,300	2,441	2,441	2,545	2,441	19,250	19,300	2,986	2,891	3,385	2,891	22,250	22,300	3,826	3,341	4,225	3,341
16,300	16,350	2,449	2,449	2,559	2,449	19,300	19,350	3,000	2,899	3,399	2,899	22,300	22,350	3,840	3,349	4,239	3,349
16,350	16,400	2,456	2,456	2,573	2,456	19,350	19,400	3,014	2,906	3,413	2,906	22,350	22,400	3,854	3,356	4,253	3,356
16,400	16,450	2,464	2,464	2,587	2,464	19,400	19,450	3,028	2,914	3,427	2,914	22,400	22,450	3,868	3,364	4,267	3,364
16,450	16,500	2,471	2,471	2,601	2,471	19,450	19,500	3,042	2,921	3,441	2,921	22,450	22,500	3,882	3,371	4,281	3,371
16,500	16,550	2,479	2,479	2,615	2,479	19,500	19,550	3,056	2,929	3,455	2,929	22,500	22,550	3,896	3,379	4,295	3,379
16,550	16,600	2,486	2,486	2,629	2,486	19,550	19,600	3,070	2,936	3,469	2,936	22,550	22,600	3,910	3,386	4,309	3,386
16,600	16,650	2,494	2,494	2,643	2,494	19,600	19,650	3,084	2,944	3,483	2,944	22,600	22,650	3,924	3,394	4,323	3,394
16,650	16,700	2,501	2,501	2,657	2,501	19,650	19,700	3,098	2,951	3,497	2,951	22,650	22,700	3,938	3,401	4,337	3,401
16,700	16,750	2,509	2,509	2,671	2,509	19,700	19,750	3,112	2,959	3,511	2,959	22,700	22,750	3,952	3,409	4,351	3,409
16,750	16,800	2,516	2,516	2,685	2,516	19,750	19,800	3,126	2,966	3,525	2,966	22,750	22,800	3,966	3,416	4,365	3,416
16,800	16,850	2,524	2,524	2,699	2,524	19,800	19,850	3,140	2,974	3,539	2,974	22,800	22,850	3,980	3,424	4,379	3,424
16,850	16,900	2,531	2,531	2,713	2,531	19,850	19,900	3,154	2,981	3,553	2,981	22,850	22,900	3,994	3,431	4,393	3,431
16,900	16,950	2,539	2,539	2,727	2,539	19,900	19,950	3,168	2,989	3,567	2,989	22,900	22,950	4,008	3,439	4,407	3,439
16,950	17,000	2,546	2,546	2,741	2,546	19,950	20,000	3,182	2,996	3,581	2,996	22,950	23,000	4,022	3,446	4,421	3,446

Continued on next page

* This column must also be used by a qualifying widow(er).

1989 Tax Table—*Continued*

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
23,000						**26,000**						**29,000**					
23,000	23,050	4,036	3,454	4,435	3,454	26,000	26,050	4,876	3,904	5,275	4,057	29,000	29,050	5,716	4,354	6,115	4,897
23,050	23,100	4,050	3,461	4,449	3,461	26,050	26,100	4,890	3,911	5,289	4,071	29,050	29,100	5,730	4,361	6,129	4,911
23,100	23,150	4,064	3,469	4,463	3,469	26,100	26,150	4,904	3,919	5,303	4,085	29,100	29,150	5,744	4,369	6,143	4,925
23,150	23,200	4,078	3,476	4,477	3,476	26,150	26,200	4,918	3,926	5,317	4,099	29,150	29,200	5,758	4,376	6,157	4,939
23,200	23,250	4,092	3,484	4,491	3,484	26,200	26,250	4,932	3,934	5,331	4,113	29,200	29,250	5,772	4,384	6,171	4,953
23,250	23,300	4,106	3,491	4,505	3,491	26,250	26,300	4,946	3,941	5,345	4,127	29,250	29,300	5,786	4,391	6,185	4,967
23,300	23,350	4,120	3,499	4,519	3,499	26,300	26,350	4,960	3,949	5,359	4,141	29,300	29,350	5,800	4,399	6,199	4,981
23,350	23,400	4,134	3,506	4,533	3,506	26,350	26,400	4,974	3,956	5,373	4,155	29,350	29,400	5,814	4,406	6,213	4,995
23,400	23,450	4,148	3,514	4,547	3,514	26,400	26,450	4,988	3,964	5,387	4,169	29,400	29,450	5,828	4,414	6,227	5,009
23,450	23,500	4,162	3,521	4,561	3,521	26,450	26,500	5,002	3,971	5,401	4,183	29,450	29,500	5,842	4,421	6,241	5,023
23,500	23,550	4,176	3,529	4,575	3,529	26,500	26,550	5,016	3,979	5,415	4,197	29,500	29,550	5,856	4,429	6,255	5,037
23,550	23,600	4,190	3,536	4,589	3,536	26,550	26,600	5,030	3,986	5,429	4,211	29,550	29,600	5,870	4,436	6,269	5,051
23,600	23,650	4,204	3,544	4,603	3,544	26,600	26,650	5,044	3,994	5,443	4,225	29,600	29,650	5,884	4,444	6,283	5,065
23,650	23,700	4,218	3,551	4,617	3,551	26,650	26,700	5,058	4,001	5,457	4,239	29,650	29,700	5,898	4,451	6,297	5,079
23,700	23,750	4,232	3,559	4,631	3,559	26,700	26,750	5,072	4,009	5,471	4,253	29,700	29,750	5,912	4,459	6,311	5,093
23,750	23,800	4,246	3,566	4,645	3,566	26,750	26,800	5,086	4,016	5,485	4,267	29,750	29,800	5,926	4,466	6,325	5,107
23,800	23,850	4,260	3,574	4,659	3,574	26,800	26,850	5,100	4,024	5,499	4,281	29,800	29,850	5,940	4,474	6,339	5,121
23,850	23,900	4,274	3,581	4,673	3,581	26,850	26,900	5,114	4,031	5,513	4,295	29,850	29,900	5,954	4,481	6,353	5,135
23,900	23,950	4,288	3,589	4,687	3,589	26,900	26,950	5,128	4,039	5,527	4,309	29,900	29,950	5,968	4,489	6,367	5,149
23,950	24,000	4,302	3,596	4,701	3,596	26,950	27,000	5,142	4,046	5,541	4,323	29,950	30,000	5,982	4,496	6,381	5,163
24,000						**27,000**						**30,000**					
24,000	24,050	4,316	3,604	4,715	3,604	27,000	27,050	5,156	4,054	5,555	4,337	30,000	30,050	5,996	4,504	6,395	5,177
24,050	24,100	4,330	3,611	4,729	3,611	27,050	27,100	5,170	4,061	5,569	4,351	30,050	30,100	6,010	4,511	6,409	5,191
24,100	24,150	4,344	3,619	4,743	3,619	27,100	27,150	5,184	4,069	5,583	4,365	30,100	30,150	6,024	4,519	6,423	5,205
24,150	24,200	4,358	3,626	4,757	3,626	27,150	27,200	5,198	4,076	5,597	4,379	30,150	30,200	6,038	4,526	6,437	5,219
24,200	24,250	4,372	3,634	4,771	3,634	27,200	27,250	5,212	4,084	5,611	4,393	30,200	30,250	6,052	4,534	6,451	5,233
24,250	24,300	4,386	3,641	4,785	3,641	27,250	27,300	5,226	4,091	5,625	4,407	30,250	30,300	6,066	4,541	6,465	5,247
24,300	24,350	4,400	3,649	4,799	3,649	27,300	27,350	5,240	4,099	5,639	4,421	30,300	30,350	6,080	4,549	6,479	5,261
24,350	24,400	4,414	3,656	4,813	3,656	27,350	27,400	5,254	4,106	5,653	4,435	30,350	30,400	6,094	4,556	6,493	5,275
24,400	24,450	4,428	3,664	4,827	3,664	27,400	27,450	5,268	4,114	5,667	4,449	30,400	30,450	6,108	4,564	6,507	5,289
24,450	24,500	4,442	3,671	4,841	3,671	27,450	27,500	5,282	4,121	5,681	4,463	30,450	30,500	6,122	4,571	6,521	5,303
24,500	24,550	4,456	3,679	4,855	3,679	27,500	27,550	5,296	4,129	5,695	4,477	30,500	30,550	6,136	4,579	6,535	5,317
24,550	24,600	4,470	3,686	4,869	3,686	27,550	27,600	5,310	4,136	5,709	4,491	30,550	30,600	6,150	4,586	6,549	5,331
24,600	24,650	4,484	3,694	4,883	3,694	27,600	27,650	5,324	4,144	5,723	4,505	30,600	30,650	6,164	4,594	6,563	5,345
24,650	24,700	4,498	3,701	4,897	3,701	27,650	27,700	5,338	4,151	5,737	4,519	30,650	30,700	6,178	4,601	6,577	5,359
24,700	24,750	4,512	3,709	4,911	3,709	27,700	27,750	5,352	4,159	5,751	4,533	30,700	30,750	6,192	4,609	6,591	5,373
24,750	24,800	4,526	3,716	4,925	3,716	27,750	27,800	5,366	4,166	5,765	4,547	30,750	30,800	6,206	4,616	6,605	5,387
24,800	24,850	4,540	3,724	4,939	3,724	27,800	27,850	5,380	4,174	5,779	4,561	30,800	30,850	6,220	4,624	6,619	5,401
24,850	24,900	4,554	3,731	4,953	3,735	27,850	27,900	5,394	4,181	5,793	4,575	30,850	30,900	6,234	4,631	6,633	5,415
24,900	24,950	4,568	3,739	4,967	3,749	27,900	27,950	5,408	4,189	5,807	4,589	30,900	30,950	6,248	4,639	6,647	5,429
24,950	25,000	4,582	3,746	4,981	3,763	27,950	28,000	5,422	4,196	5,821	4,603	30,950	31,000	6,262	4,650	6,661	5,443
25,000						**28,000**						**31,000**					
25,000	25,050	4,596	3,754	4,995	3,777	28,000	28,050	5,436	4,204	5,835	4,617	31,000	31,050	6,276	4,664	6,675	5,457
25,050	25,100	4,610	3,761	5,009	3,791	28,050	28,100	5,450	4,211	5,849	4,631	31,050	31,100	6,290	4,678	6,689	5,471
25,100	25,150	4,624	3,769	5,023	3,805	28,100	28,150	5,464	4,219	5,863	4,645	31,100	31,150	6,304	4,692	6,703	5,485
25,150	25,200	4,638	3,776	5,037	3,819	28,150	28,200	5,478	4,226	5,877	4,659	31,150	31,200	6,318	4,706	6,717	5,499
25,200	25,250	4,652	3,784	5,051	3,833	28,200	28,250	5,492	4,234	5,891	4,673	31,200	31,250	6,332	4,720	6,731	5,513
25,250	25,300	4,666	3,791	5,065	3,847	28,250	28,300	5,506	4,241	5,905	4,687	31,250	31,300	6,346	4,734	6,745	5,527
25,300	25,350	4,680	3,799	5,079	3,861	28,300	28,350	5,520	4,249	5,919	4,701	31,300	31,350	6,360	4,748	6,759	5,541
25,350	25,400	4,694	3,806	5,093	3,875	28,350	28,400	5,534	4,256	5,933	4,715	31,350	31,400	6,374	4,762	6,773	5,555
25,400	25,450	4,708	3,814	5,107	3,889	28,400	28,450	5,548	4,264	5,947	4,729	31,400	31,450	6,388	4,776	6,787	5,569
25,450	25,500	4,722	3,821	5,121	3,903	28,450	28,500	5,562	4,271	5,961	4,743	31,450	31,500	6,402	4,790	6,801	5,583
25,500	25,550	4,736	3,829	5,135	3,917	28,500	28,550	5,576	4,279	5,975	4,757	31,500	31,550	6,416	4,804	6,815	5,597
25,550	25,600	4,750	3,836	5,149	3,931	28,550	28,600	5,590	4,286	5,989	4,771	31,550	31,600	6,430	4,818	6,829	5,611
25,600	25,650	4,764	3,844	5,163	3,945	28,600	28,650	5,604	4,294	6,003	4,785	31,600	31,650	6,444	4,832	6,843	5,625
25,650	25,700	4,778	3,851	5,177	3,959	28,650	28,700	5,618	4,301	6,017	4,799	31,650	31,700	6,458	4,846	6,857	5,639
25,700	25,750	4,792	3,859	5,191	3,973	28,700	28,750	5,632	4,309	6,031	4,813	31,700	31,750	6,472	4,860	6,871	5,653
25,750	25,800	4,806	3,866	5,205	3,987	28,750	28,800	5,646	4,316	6,045	4,827	31,750	31,800	6,486	4,874	6,885	5,667
25,800	25,850	4,820	3,874	5,219	4,001	28,800	28,850	5,660	4,324	6,059	4,841	31,800	31,850	6,500	4,888	6,899	5,681
25,850	25,900	4,834	3,881	5,233	4,015	28,850	28,900	5,674	4,331	6,073	4,855	31,850	31,900	6,514	4,902	6,913	5,695
25,900	25,950	4,848	3,889	5,247	4,029	28,900	28,950	5,688	4,339	6,087	4,869	31,900	31,950	6,528	4,916	6,927	5,709
25,950	26,000	4,862	3,896	5,261	4,043	28,950	29,000	5,702	4,346	6,101	4,883	31,950	32,000	6,542	4,930	6,941	5,723

* This column must also be used by a qualifying widow(er).

Continued on next page

1989 Tax Table—*Continued*

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
32,000						**35,000**						**38,000**					
32,000	32,050	6,556	4,944	6,955	5,737	35,000	35,050	7,396	5,784	7,795	6,577	38,000	38,050	8,236	6,624	8,665	7,417
32,050	32,100	6,570	4,958	6,969	5,751	35,050	35,100	7,410	5,798	7,809	6,591	38,050	38,100	8,250	6,638	8,682	7,431
32,100	32,150	6,584	4,972	6,983	5,765	35,100	35,150	7,424	5,812	7,823	6,605	38,100	38,150	8,264	6,652	8,698	7,445
32,150	32,200	6,598	4,986	6,997	5,779	35,150	35,200	7,438	5,826	7,837	6,619	38,150	38,200	8,278	6,666	8,715	7,459
32,200	32,250	6,612	5,000	7,011	5,793	35,200	35,250	7,452	5,840	7,851	6,633	38,200	38,250	8,292	6,680	8,731	7,473
32,250	32,300	6,626	5,014	7,025	5,807	35,250	35,300	7,466	5,854	7,865	6,647	38,250	38,300	8,306	6,694	8,748	7,487
32,300	32,350	6,640	5,028	7,039	5,821	35,300	35,350	7,480	5,868	7,879	6,661	38,300	38,350	8,320	6,708	8,764	7,501
32,350	32,400	6,654	5,042	7,053	5,835	35,350	35,400	7,494	5,882	7,893	6,675	38,350	38,400	8,334	6,722	8,781	7,515
32,400	32,450	6,668	5,056	7,067	5,849	35,400	35,450	7,508	5,896	7,907	6,689	38,400	38,450	8,348	6,736	8,797	7,529
32,450	32,500	6,682	5,070	7,081	5,863	35,450	35,500	7,522	5,910	7,921	6,703	38,450	38,500	8,362	6,750	8,814	7,543
32,500	32,550	6,696	5,084	7,095	5,877	35,500	35,550	7,536	5,924	7,935	6,717	38,500	38,550	8,376	6,764	8,830	7,557
32,550	32,600	6,710	5,098	7,109	5,891	35,550	35,600	7,550	5,938	7,949	6,731	38,550	38,600	8,390	6,778	8,847	7,571
32,600	32,650	6,724	5,112	7,123	5,905	35,600	35,650	7,564	5,952	7,963	6,745	38,600	38,650	8,404	6,792	8,863	7,585
32,650	32,700	6,738	5,126	7,137	5,919	35,650	35,700	7,578	5,966	7,977	6,759	38,650	38,700	8,418	6,806	8,880	7,599
32,700	32,750	6,752	5,140	7,151	5,933	35,700	35,750	7,592	5,980	7,991	6,773	38,700	38,750	8,432	6,820	8,896	7,613
32,750	32,800	6,766	5,154	7,165	5,947	35,750	35,800	7,606	5,994	8,005	6,787	38,750	38,800	8,446	6,834	8,913	7,627
32,800	32,850	6,780	5,168	7,179	5,961	35,800	35,850	7,620	6,008	8,019	6,801	38,800	38,850	8,460	6,848	8,929	7,641
32,850	32,900	6,794	5,182	7,193	5,975	35,850	35,900	7,634	6,022	8,033	6,815	38,850	38,900	8,474	6,862	8,946	7,655
32,900	32,950	6,808	5,196	7,207	5,989	35,900	35,950	7,648	6,036	8,047	6,829	38,900	38,950	8,488	6,876	8,962	7,669
32,950	33,000	6,822	5,210	7,221	6,003	35,950	36,000	7,662	6,050	8,061	6,843	38,950	39,000	8,502	6,890	8,979	7,683
33,000						**36,000**						**39,000**					
33,000	33,050	6,836	5,224	7,235	6,017	36,000	36,050	7,676	6,064	8,075	6,857	39,000	39,050	8,516	6,904	8,995	7,697
33,050	33,100	6,850	5,238	7,249	6,031	36,050	36,100	7,690	6,078	8,089	6,871	39,050	39,100	8,530	6,918	9,012	7,711
33,100	33,150	6,864	5,252	7,263	6,045	36,100	36,150	7,704	6,092	8,103	6,885	39,100	39,150	8,544	6,932	9,028	7,725
33,150	33,200	6,878	5,266	7,277	6,059	36,150	36,200	7,718	6,106	8,117	6,899	39,150	39,200	8,558	6,946	9,045	7,739
33,200	33,250	6,892	5,280	7,291	6,073	36,200	36,250	7,732	6,120	8,131	6,913	39,200	39,250	8,572	6,960	9,061	7,753
33,250	33,300	6,906	5,294	7,305	6,087	36,250	36,300	7,746	6,134	8,145	6,927	39,250	39,300	8,586	6,974	9,078	7,767
33,300	33,350	6,920	5,308	7,319	6,101	36,300	36,350	7,760	6,148	8,159	6,941	39,300	39,350	8,600	6,988	9,094	7,781
33,350	33,400	6,934	5,322	7,333	6,115	36,350	36,400	7,774	6,162	8,173	6,955	39,350	39,400	8,614	7,002	9,111	7,795
33,400	33,450	6,948	5,336	7,347	6,129	36,400	36,450	7,788	6,176	8,187	6,969	39,400	39,450	8,628	7,016	9,127	7,809
33,450	33,500	6,962	5,350	7,361	6,143	36,450	36,500	7,802	6,190	8,201	6,983	39,450	39,500	8,642	7,030	9,144	7,823
33,500	33,550	6,976	5,364	7,375	6,157	36,500	36,550	7,816	6,204	8,215	6,997	39,500	39,550	8,656	7,044	9,160	7,837
33,550	33,600	6,990	5,378	7,389	6,171	36,550	36,600	7,830	6,218	8,229	7,011	39,550	39,600	8,670	7,058	9,177	7,851
33,600	33,650	7,004	5,392	7,403	6,185	36,600	36,650	7,844	6,232	8,243	7,025	39,600	39,650	8,684	7,072	9,193	7,865
33,650	33,700	7,018	5,406	7,417	6,199	36,650	36,700	7,858	6,246	8,257	7,039	39,650	39,700	8,698	7,086	9,210	7,879
33,700	33,750	7,032	5,420	7,431	6,213	36,700	36,750	7,872	6,260	8,271	7,053	39,700	39,750	8,712	7,100	9,226	7,893
33,750	33,800	7,046	5,434	7,445	6,227	36,750	36,800	7,886	6,274	8,285	7,067	39,750	39,800	8,726	7,114	9,243	7,907
33,800	33,850	7,060	5,448	7,459	6,241	36,800	36,850	7,900	6,288	8,299	7,081	39,800	39,850	8,740	7,128	9,259	7,921
33,850	33,900	7,074	5,462	7,473	6,255	36,850	36,900	7,914	6,302	8,313	7,095	39,850	39,900	8,754	7,142	9,276	7,935
33,900	33,950	7,088	5,476	7,487	6,269	36,900	36,950	7,928	6,316	8,327	7,109	39,900	39,950	8,768	7,156	9,292	7,949
33,950	34,000	7,102	5,490	7,501	6,283	36,950	37,000	7,942	6,330	8,341	7,123	39,950	40,000	8,782	7,170	9,309	7,963
34,000						**37,000**						**40,000**					
34,000	34,050	7,116	5,504	7,515	6,297	37,000	37,050	7,956	6,344	8,355	7,137	40,000	40,050	8,796	7,184	9,325	7,977
34,050	34,100	7,130	5,518	7,529	6,311	37,050	37,100	7,970	6,358	8,369	7,151	40,050	40,100	8,810	7,198	9,342	7,991
34,100	34,150	7,144	5,532	7,543	6,325	37,100	37,150	7,984	6,372	8,383	7,165	40,100	40,150	8,824	7,212	9,358	8,005
34,150	34,200	7,158	5,546	7,557	6,339	37,150	37,200	7,998	6,386	8,397	7,179	40,150	40,200	8,838	7,226	9,375	8,019
34,200	34,250	7,172	5,560	7,571	6,353	37,200	37,250	8,012	6,400	8,411	7,193	40,200	40,250	8,852	7,240	9,391	8,033
34,250	34,300	7,186	5,574	7,585	6,367	37,250	37,300	8,026	6,414	8,425	7,207	40,250	40,300	8,866	7,254	9,408	8,047
34,300	34,350	7,200	5,588	7,599	6,381	37,300	37,350	8,040	6,428	8,439	7,221	40,300	40,350	8,880	7,268	9,424	8,061
34,350	34,400	7,214	5,602	7,613	6,395	37,350	37,400	8,054	6,442	8,453	7,235	40,350	40,400	8,894	7,282	9,441	8,075
34,400	34,450	7,228	5,616	7,627	6,409	37,400	37,450	8,068	6,456	8,467	7,249	40,400	40,450	8,908	7,296	9,457	8,089
34,450	34,500	7,242	5,630	7,641	6,423	37,450	37,500	8,082	6,470	8,484	7,263	40,450	40,500	8,922	7,310	9,474	8,103
34,500	34,550	7,256	5,644	7,655	6,437	37,500	37,550	8,096	6,484	8,500	7,277	40,500	40,550	8,936	7,324	9,490	8,117
34,550	34,600	7,270	5,658	7,669	6,451	37,550	37,600	8,110	6,498	8,517	7,291	40,550	40,600	8,950	7,338	9,507	8,131
34,600	34,650	7,284	5,672	7,683	6,465	37,600	37,650	8,124	6,512	8,533	7,305	40,600	40,650	8,964	7,352	9,523	8,145
34,650	34,700	7,298	5,686	7,697	6,479	37,650	37,700	8,138	6,526	8,550	7,319	40,650	40,700	8,978	7,366	9,540	8,159
34,700	34,750	7,312	5,700	7,711	6,493	37,700	37,750	8,152	6,540	8,566	7,333	40,700	40,750	8,992	7,380	9,556	8,173
34,750	34,800	7,326	5,714	7,725	6,507	37,750	37,800	8,166	6,554	8,583	7,347	40,750	40,800	9,006	7,394	9,573	8,187
34,800	34,850	7,340	5,728	7,739	6,521	37,800	37,850	8,180	6,568	8,599	7,361	40,800	40,850	9,020	7,408	9,589	8,201
34,850	34,900	7,354	5,742	7,753	6,535	37,850	37,900	8,194	6,582	8,616	7,375	40,850	40,900	9,034	7,422	9,606	8,215
34,900	34,950	7,368	5,756	7,767	6,549	37,900	37,950	8,208	6,596	8,632	7,389	40,900	40,950	9,048	7,436	9,622	8,229
34,950	35,000	7,382	5,770	7,781	6,563	37,950	38,000	8,222	6,610	8,649	7,403	40,950	41,000	9,062	7,450	9,639	8,243

Continued on next page

* This column must also be used by a qualifying widow(er).

1989 Tax Table—*Continued*

If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—				If line 37 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household	At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
		Your tax is—						Your tax is—						Your tax is—			
41,000						**44,000**						**47,000**					
41,000	41,050	9,076	7,464	9,655	8,257	44,000	44,050	9,916	8,304	10,645	9,097	47,000	47,050	10,862	9,144	11,635	9,937
41,050	41,100	9,090	7,478	9,672	8,271	44,050	44,100	9,930	8,318	10,662	9,111	47,050	47,100	10,878	9,158	11,652	9,951
41,100	41,150	9,104	7,492	9,688	8,285	44,100	44,150	9,944	8,332	10,678	9,125	47,100	47,150	10,895	9,172	11,668	9,965
41,150	41,200	9,118	7,506	9,705	8,299	44,150	44,200	9,958	8,346	10,695	9,139	47,150	47,200	10,911	9,186	11,685	9,979
41,200	41,250	9,132	7,520	9,721	8,313	44,200	44,250	9,972	8,360	10,711	9,153	47,200	47,250	10,928	9,200	11,701	9,993
41,250	41,300	9,146	7,534	9,738	8,327	44,250	44,300	9,986	8,374	10,728	9,167	47,250	47,300	10,944	9,214	11,718	10,007
41,300	41,350	9,160	7,548	9,754	8,341	44,300	44,350	10,000	8,388	10,744	9,181	47,300	47,350	10,961	9,228	11,734	10,021
41,350	41,400	9,174	7,562	9,771	8,355	44,350	44,400	10,014	8,402	10,761	9,195	47,350	47,400	10,977	9,242	11,751	10,035
41,400	41,450	9,188	7,576	9,787	8,369	44,400	44,450	10,028	8,416	10,777	9,209	47,400	47,450	10,994	9,256	11,767	10,049
41,450	41,500	9,202	7,590	9,804	8,383	44,450	44,500	10,042	8,430	10,794	9,223	47,450	47,500	11,010	9,270	11,784	10,063
41,500	41,550	9,216	7,604	9,820	8,397	44,500	44,550	10,056	8,444	10,810	9,237	47,500	47,550	11,027	9,284	11,800	10,077
41,550	41,600	9,230	7,618	9,837	8,411	44,550	44,600	10,070	8,458	10,827	9,251	47,550	47,600	11,043	9,298	11,817	10,091
41,600	41,650	9,244	7,632	9,853	8,425	44,600	44,650	10,084	8,472	10,843	9,265	47,600	47,650	11,060	9,312	11,833	10,105
41,650	41,700	9,258	7,646	9,870	8,439	44,650	44,700	10,098	8,486	10,860	9,279	47,650	47,700	11,076	9,326	11,850	10,119
41,700	41,750	9,272	7,660	9,886	8,453	44,700	44,750	10,112	8,500	10,876	9,293	47,700	47,750	11,093	9,340	11,866	10,133
41,750	41,800	9,286	7,674	9,903	8,467	44,750	44,800	10,126	8,514	10,893	9,307	47,750	47,800	11,109	9,354	11,883	10,147
41,800	41,850	9,300	7,688	9,919	8,481	44,800	44,850	10,140	8,528	10,909	9,321	47,800	47,850	11,126	9,368	11,899	10,161
41,850	41,900	9,314	7,702	9,936	8,495	44,850	44,900	10,154	8,542	10,926	9,335	47,850	47,900	11,142	9,382	11,916	10,175
41,900	41,950	9,328	7,716	9,952	8,509	44,900	44,950	10,169	8,556	10,942	9,349	47,900	47,950	11,159	9,396	11,932	10,189
41,950	42,000	9,342	7,730	9,969	8,523	44,950	45,000	10,185	8,570	10,959	9,363	47,950	48,000	11,175	9,410	11,949	10,203
42,000						**45,000**						**48,000**					
42,000	42,050	9,356	7,744	9,985	8,537	45,000	45,050	10,202	8,584	10,975	9,377	48,000	48,050	11,192	9,424	11,965	10,217
42,050	42,100	9,370	7,758	10,002	8,551	45,050	45,100	10,218	8,598	10,992	9,391	48,050	48,100	11,208	9,438	11,982	10,231
42,100	42,150	9,384	7,772	10,018	8,565	45,100	45,150	10,235	8,612	11,008	9,405	48,100	48,150	11,225	9,452	11,998	10,245
42,150	42,200	9,398	7,786	10,035	8,579	45,150	45,200	10,251	8,626	11,025	9,419	48,150	48,200	11,241	9,466	12,015	10,259
42,200	42,250	9,412	7,800	10,051	8,593	45,200	45,250	10,268	8,640	11,041	9,433	48,200	48,250	11,258	9,480	12,031	10,273
42,250	42,300	9,426	7,814	10,068	8,607	45,250	45,300	10,284	8,654	11,058	9,447	48,250	48,300	11,274	9,494	12,048	10,287
42,300	42,350	9,440	7,828	10,084	8,621	45,300	45,350	10,301	8,668	11,074	9,461	48,300	48,350	11,291	9,508	12,064	10,301
42,350	42,400	9,454	7,842	10,101	8,635	45,350	45,400	10,317	8,682	11,091	9,475	48,350	48,400	11,307	9,522	12,081	10,315
42,400	42,450	9,468	7,856	10,117	8,649	45,400	45,450	10,334	8,696	11,107	9,489	48,400	48,450	11,324	9,536	12,097	10,329
42,450	42,500	9,482	7,870	10,134	8,663	45,450	45,500	10,350	8,710	11,124	9,503	48,450	48,500	11,340	9,550	12,114	10,343
42,500	42,550	9,496	7,884	10,150	8,677	45,500	45,550	10,367	8,724	11,140	9,517	48,500	48,550	11,357	9,564	12,130	10,357
42,550	42,600	9,510	7,898	10,167	8,691	45,550	45,600	10,383	8,738	11,157	9,531	48,550	48,600	11,373	9,578	12,147	10,371
42,600	42,650	9,524	7,912	10,183	8,705	45,600	45,650	10,400	8,752	11,173	9,545	48,600	48,650	11,390	9,592	12,163	10,385
42,650	42,700	9,538	7,926	10,200	8,719	45,650	45,700	10,416	8,766	11,190	9,559	48,650	48,700	11,406	9,606	12,180	10,399
42,700	42,750	9,552	7,940	10,216	8,733	45,700	45,750	10,433	8,780	11,206	9,573	48,700	48,750	11,423	9,620	12,196	10,413
42,750	42,800	9,566	7,954	10,233	8,747	45,750	45,800	10,449	8,794	11,223	9,587	48,750	48,800	11,439	9,634	12,213	10,427
42,800	42,850	9,580	7,968	10,249	8,761	45,800	45,850	10,466	8,808	11,239	9,601	48,800	48,850	11,456	9,648	12,229	10,441
42,850	42,900	9,594	7,982	10,266	8,775	45,850	45,900	10,482	8,822	11,256	9,615	48,850	48,900	11,472	9,662	12,246	10,455
42,900	42,950	9,608	7,996	10,282	8,789	45,900	45,950	10,499	8,836	11,272	9,629	48,900	48,950	11,489	9,676	12,262	10,469
42,950	43,000	9,622	8,010	10,299	8,803	45,950	46,000	10,515	8,850	11,289	9,643	48,950	49,000	11,505	9,690	12,279	10,483
43,000						**46,000**						**49,000**					
43,000	43,050	9,636	8,024	10,315	8,817	46,000	46,050	10,532	8,864	11,305	9,657	49,000	49,050	11,522	9,704	12,295	10,497
43,050	43,100	9,650	8,038	10,332	8,831	46,050	46,100	10,548	8,878	11,322	9,671	49,050	49,100	11,538	9,718	12,312	10,511
43,100	43,150	9,664	8,052	10,348	8,845	46,100	46,150	10,565	8,892	11,338	9,685	49,100	49,150	11,555	9,732	12,328	10,525
43,150	43,200	9,678	8,066	10,365	8,859	46,150	46,200	10,581	8,906	11,355	9,699	49,150	49,200	11,571	9,746	12,345	10,539
43,200	43,250	9,692	8,080	10,381	8,873	46,200	46,250	10,598	8,920	11,371	9,713	49,200	49,250	11,588	9,760	12,361	10,553
43,250	43,300	9,706	8,094	10,398	8,887	46,250	46,300	10,614	8,934	11,388	9,727	49,250	49,300	11,604	9,774	12,378	10,567
43,300	43,350	9,720	8,108	10,414	8,901	46,300	46,350	10,631	8,948	11,404	9,741	49,300	49,350	11,621	9,788	12,394	10,581
43,350	43,400	9,734	8,122	10,431	8,915	46,350	46,400	10,647	8,962	11,421	9,755	49,350	49,400	11,637	9,802	12,411	10,595
43,400	43,450	9,748	8,136	10,447	8,929	46,400	46,450	10,664	8,976	11,437	9,769	49,400	49,450	11,654	9,816	12,427	10,609
43,450	43,500	9,762	8,150	10,464	8,943	46,450	46,500	10,680	8,990	11,454	9,783	49,450	49,500	11,670	9,830	12,444	10,623
43,500	43,550	9,776	8,164	10,480	8,957	46,500	46,550	10,697	9,004	11,470	9,797	49,500	49,550	11,687	9,844	12,460	10,637
43,550	43,600	9,790	8,178	10,497	8,971	46,550	46,600	10,713	9,018	11,487	9,811	49,550	49,600	11,703	9,858	12,477	10,651
43,600	43,650	9,804	8,192	10,513	8,985	46,600	46,650	10,730	9,032	11,503	9,825	49,600	49,650	11,720	9,872	12,493	10,665
43,650	43,700	9,818	8,206	10,530	8,999	46,650	46,700	10,746	9,046	11,520	9,839	49,650	49,700	11,736	9,886	12,510	10,679
43,700	43,750	9,832	8,220	10,546	9,013	46,700	46,750	10,763	9,060	11,536	9,853	49,700	49,750	11,753	9,900	12,526	10,693
43,750	43,800	9,846	8,234	10,563	9,027	46,750	46,800	10,779	9,074	11,553	9,867	49,750	49,800	11,769	9,914	12,543	10,707
43,800	43,850	9,860	8,248	10,579	9,041	46,800	46,850	10,796	9,088	11,569	9,881	49,800	49,850	11,786	9,928	12,559	10,721
43,850	43,900	9,874	8,262	10,596	9,055	46,850	46,900	10,812	9,102	11,586	9,895	49,850	49,900	11,802	9,942	12,576	10,735
43,900	43,950	9,888	8,276	10,612	9,069	46,900	46,950	10,829	9,116	11,602	9,909	49,900	49,950	11,819	9,956	12,592	10,749
43,950	44,000	9,902	8,290	10,629	9,083	46,950	47,000	10,845	9,130	11,619	9,923	49,950	50,000	11,835	9,970	12,609	10,763

* This column must also be used by a qualifying widow(er).

50,000 or over—use tax rate schedules

1989 Tax Rate Schedules

Caution: *Use ONLY if your taxable income (Form 1040, line 37) is $50,000 or more. If less, use the* ***Tax Table.***

Schedule X—Use if your filing status is **Single**

If the amount on Form 1040, line 37, is: Over—	But not over—	Enter on Form 1040, line 38	of the amount over—
$0	$18,550	.....15%	$0
18,550	44,900	$2,782.50 + 28%	18,550
44,900	93,130	10,160.50 + 33%	44,900
93,130	.....	Use **Worksheet** below to figure your tax.	

Schedule Z—Use if your filing status is **Head of household**

If the amount on Form 1040, line 37, is: Over—	But not over—	Enter on Form 1040, line 38	of the amount over—
$0	$24,850	.....15%	$0
24,850	64,200	$3,727.50 + 28%	24,850
64,200	128,810	14,745.50 + 33%	64,200
128,810	.....	Use **Worksheet** below to figure your tax.	

Schedule Y-1—Use if your filing status is **Married filing jointly or Qualifying widow(er)**

If the amount on Form 1040, line 37, is: Over—	But not over—	Enter on Form 1040, line 38	of the amount over—
$0	$30,950	.....15%	$0
30,950	74,850	$4,642.50 + 28%	30,950
74,850	155,320	16,934.50 + 33%	74,850
155,320	.....	Use **Worksheet** below to figure your tax.	

Schedule Y-2—Use if your filing status is **Married filing separately**

If the amount on Form 1040, line 37, is: Over—	But not over—	Enter on Form 1040, line 38	of the amount over—
$0	$15,475	.....15%	$0
15,475	37,425	$2,321.25 + 28%	15,475
37,425	117,895	8,467.25 + 33%	37,425
117,895	.....	Use **Worksheet** below to figure your tax.	

Worksheet (Keep for your records)

1. If your filing status is: { Single, enter $26,076.40 / Head of household, enter $36,066.80 / Married filing jointly or Qualifying widow(er), enter $43,489.60 / Married filing separately, enter $35,022.35 } . . . . . 1. _____
2. Enter your taxable income from Form 1040, line 37 . . . . . 2. _____
3. If your filing status is: { Single, enter $93,130 / Head of household, enter $128,810 / Married filing jointly or Qualifying widow(er), enter $155,320 / Married filing separately, enter $117,895 } . . . . 3. _____
4. Subtract line 3 from line 2. Enter the result. (If the result is zero or less, use the schedule above for your filing status to figure your tax. DO NOT use this worksheet.) 4. _____
5. Multiply the amount on line 4 by 28% (.28). Enter the result . . . . . 5. _____
6. Multiply the amount on line 4 by 5% (.05). Enter the result . . . . . 6. _____
7. Multiply $560 by the number of exemptions claimed on Form 1040, line 6e. (If married filing separately, see the **Note** below.) Enter the result . . . . . 7. _____
8. Compare the amounts on lines 6 and 7. Enter the **smaller** of the two amounts here . . . . . 8. _____
9. **Tax.** Add lines 1, 5, and 8. Enter the total here and on Form 1040, line 38 . . . . . 9. _____

Note: *If married filing separately and you did* ***not*** *claim an exemption for your spouse, multiply $560 by the number of exemptions claimed on Form 1040, line 6e. Add $560 to the result and enter the total on line 7 above.*

1989 Earned Income Credit Table

Caution: *This Is Not A Tax Table*

To find your earned income credit: Read down the column titled "If line 3 or 4 of the worksheet is—" and find the appropriate amount from the Earned Income Credit Worksheet on page 20. Read across to the right and find the amount of the earned income credit. Enter that amount on line 5 or 6 of the worksheet, whichever applies.

If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—
At least	But less than		At least	But less than		At least	But less than		At least	But less than		At least	But less than	
$1	$25	$2	$1,600	$1,625	$226	$3,200	$3,225	$450	$4,800	$4,825	$674	$6,400	$6,425	$898
25	50	5	1,625	1,650	229	3,225	3,250	453	4,825	4,850	677	6,425	6,450	901
50	75	9	1,650	1,675	233	3,250	3,275	457	4,850	4,875	681	6,450	6,475	905
75	100	12	1,675	1,700	236	3,275	3,300	460	4,875	4,900	684	6,475	6,500	908
100	125	16	1,700	1,725	240	3,300	3,325	464	4,900	4,925	688	6,500	10,250	910
125	150	19	1,725	1,750	243	3,325	3,350	467	4,925	4,950	691	10,250	10,275	908
150	175	23	1,750	1,775	247	3,350	3,375	471	4,950	4,975	695	10,275	10,300	905
175	200	26	1,775	1,800	250	3,375	3,400	474	4,975	5,000	698	10,300	10,325	903
200	225	30	1,800	1,825	254	3,400	3,425	478	5,000	5,025	702	10,325	10,350	900
225	250	33	1,825	1,850	257	3,425	3,450	481	5,025	5,050	705	10,350	10,375	898
250	275	37	1,850	1,875	261	3,450	3,475	485	5,050	5,075	709	10,375	10,400	895
275	300	40	1,875	1,900	264	3,475	3,500	488	5,075	5,100	712	10,400	10,425	893
300	325	44	1,900	1,925	268	3,500	3,525	492	5,100	5,125	716	10,425	10,450	890
325	350	47	1,925	1,950	271	3,525	3,550	495	5,125	5,150	719	10,450	10,475	888
350	375	51	1,950	1,975	275	3,550	3,575	499	5,150	5,175	723	10,475	10,500	885
375	400	54	1,975	2,000	278	3,575	3,600	502	5,175	5,200	726	10,500	10,525	883
400	425	58	2,000	2,025	282	3,600	3,625	506	5,200	5,225	730	10,525	10,550	880
425	450	61	2,025	2,050	285	3,625	3,650	509	5,225	5,250	733	10,550	10,575	878
450	475	65	2,050	2,075	289	3,650	3,675	513	5,250	5,275	737	10,575	10,600	875
475	500	68	2,075	2,100	292	3,675	3,700	516	5,275	5,300	740	10,600	10,625	873
500	525	72	2,100	2,125	296	3,700	3,725	520	5,300	5,325	744	10,625	10,650	870
525	550	75	2,125	2,150	299	3,725	3,750	523	5,325	5,350	747	10,650	10,675	868
550	575	79	2,150	2,175	303	3,750	3,775	527	5,350	5,375	751	10,675	10,700	865
575	600	82	2,175	2,200	306	3,775	3,800	530	5,375	5,400	754	10,700	10,725	863
600	625	86	2,200	2,225	310	3,800	3,825	534	5,400	5,425	758	10,725	10,750	860
625	650	89	2,225	2,250	313	3,825	3,850	537	5,425	5,450	761	10,750	10,775	858
650	675	93	2,250	2,275	317	3,850	3,875	541	5,450	5,475	765	10,775	10,800	855
675	700	96	2,275	2,300	320	3,875	3,900	544	5,475	5,500	768	10,800	10,825	853
700	725	100	2,300	2,325	324	3,900	3,925	548	5,500	5,525	772	10,825	10,850	850
725	750	103	2,325	2,350	327	3,925	3,950	551	5,525	5,550	775	10,850	10,875	848
750	775	107	2,350	2,375	331	3,950	3,975	555	5,550	5,575	779	10,875	10,900	845
775	800	110	2,375	2,400	334	3,975	4,000	558	5,575	5,600	782	10,900	10,925	843
800	825	114	2,400	2,425	338	4,000	4,025	562	5,600	5,625	786	10,925	10,950	840
825	850	117	2,425	2,450	341	4,025	4,050	565	5,625	5,650	789	10,950	10,975	838
850	875	121	2,450	2,475	345	4,050	4,075	569	5,650	5,675	793	10,975	11,000	835
875	900	124	2,475	2,500	348	4,075	4,100	572	5,675	5,700	796	11,000	11,025	833
900	925	128	2,500	2,525	352	4,100	4,125	576	5,700	5,725	800	11,025	11,050	830
925	950	131	2,525	2,550	355	4,125	4,150	579	5,725	5,750	803	11,050	11,075	828
950	975	135	2,550	2,575	359	4,150	4,175	583	5,750	5,775	807	11,075	11,100	825
975	1,000	138	2,575	2,600	362	4,175	4,200	586	5,775	5,800	810	11,100	11,125	823
1,000	1,025	142	2,600	2,625	366	4,200	4,225	590	5,800	5,825	814	11,125	11,150	820
1,025	1,050	145	2,625	2,650	369	4,225	4,250	593	5,825	5,850	817	11,150	11,175	818
1,050	1,075	149	2,650	2,675	373	4,250	4,275	597	5,850	5,875	821	11,175	11,200	815
1,075	1,100	152	2,675	2,700	376	4,275	4,300	600	5,875	5,900	824	11,200	11,225	813
1,100	1,125	156	2,700	2,725	380	4,300	4,325	604	5,900	5,925	828	11,225	11,250	810
1,125	1,150	159	2,725	2,750	383	4,325	4,350	607	5,925	5,950	831	11,250	11,275	808
1,150	1,175	163	2,750	2,775	387	4,350	4,375	611	5,950	5,975	835	11,275	11,300	805
1,175	1,200	166	2,775	2,800	390	4,375	4,400	614	5,975	6,000	838	11,300	11,325	803
1,200	1,225	170	2,800	2,825	394	4,400	4,425	618	6,000	6,025	842	11,325	11,350	800
1,225	1,250	173	2,825	2,850	397	4,425	4,450	621	6,025	6,050	845	11,350	11,375	798
1,250	1,275	177	2,850	2,875	401	4,450	4,475	625	6,050	6,075	849	11,375	11,400	795
1,275	1,300	180	2,875	2,900	404	4,475	4,500	628	6,075	6,100	852	11,400	11,425	793
1,300	1,325	184	2,900	2,925	408	4,500	4,525	632	6,100	6,125	856	11,425	11,450	790
1,325	1,350	187	2,925	2,950	411	4,525	4,550	635	6,125	6,150	859	11,450	11,475	788
1,350	1,375	191	2,950	2,975	415	4,550	4,575	639	6,150	6,175	863	11,475	11,500	785
1,375	1,400	194	2,975	3,000	418	4,575	4,600	642	6,175	6,200	866	11,500	11,525	783
1,400	1,425	198	3,000	3,025	422	4,600	4,625	646	6,200	6,225	870	11,525	11,550	780
1,425	1,450	201	3,025	3,050	425	4,625	4,650	649	6,225	6,250	873	11,550	11,575	778
1,450	1,475	205	3,050	3,075	429	4,650	4,675	653	6,250	6,275	877	11,575	11,600	775
1,475	1,500	208	3,075	3,100	432	4,675	4,700	656	6,275	6,300	880	11,600	11,625	773
1,500	1,525	212	3,100	3,125	436	4,700	4,725	660	6,300	6,325	884	11,625	11,650	770
1,525	1,550	215	3,125	3,150	439	4,725	4,750	663	6,325	6,350	887	11,650	11,675	768
1,550	1,575	219	3,150	3,175	443	4,750	4,775	667	6,350	6,375	891	11,675	11,700	765
1,575	1,600	222	3,175	3,200	446	4,775	4,800	670	6,375	6,400	894	11,700	11,725	763

1989 Earned Income Credit Table *(continued)*

If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—	If line 3 or 4 of the worksheet is—		Your earned income credit is—
At least	But less than		At least	But less than		At least	But less than		At least	But less than		At least	But less than	
$11,725	$11,750	$760	$13,325	$13,350	$600	$14,925	$14,950	$440	$16,525	$16,550	$280	$18,125	$18,150	$120
11,750	11,775	758	13,350	13,375	598	14,950	14,975	438	16,550	16,575	278	18,150	18,175	118
11,775	11,800	755	13,375	13,400	595	14,975	15,000	435	16,575	16,600	275	18,175	18,200	115
11,800	11,825	753	13,400	13,425	593	15,000	15,025	433	16,600	16,625	273	18,200	18,225	113
11,825	11,850	750	13,425	13,450	590	15,025	15,050	430	16,625	16,650	270	18,225	18,250	110
11,850	11,875	748	13,450	13,475	588	15,050	15,075	428	16,650	16,675	268	18,250	18,275	108
11,875	11,900	745	13,475	13,500	585	15,075	15,100	425	16,675	16,700	265	18,275	18,300	105
11,900	11,925	743	13,500	13,525	583	15,100	15,125	423	16,700	16,725	263	18,300	18,325	103
11,925	11,950	740	13,525	13,550	580	15,125	15,150	420	16,725	16,750	260	18,325	18,350	100
11,950	11,975	738	13,550	13,575	578	15,150	15,175	418	16,750	16,775	258	18,350	18,375	98
11,975	12,000	735	13,575	13,600	575	15,175	15,200	415	16,775	16,800	255	18,375	18,400	95
12,000	12,025	733	13,600	13,625	573	15,200	15,225	413	16,800	16,825	253	18,400	18,425	93
12,025	12,050	730	13,625	13,650	570	15,225	15,250	410	16,825	16,850	250	18,425	18,450	90
12,050	12,075	728	13,650	13,675	568	15,250	15,275	408	16,850	16,875	248	18,450	18,475	88
12,075	12,100	725	13,675	13,700	565	15,275	15,300	405	16,875	16,900	245	18,475	18,500	85
12,100	12,125	723	13,700	13,725	563	15,300	15,325	403	16,900	16,925	243	18,500	18,525	83
12,125	12,150	720	13,725	13,750	560	15,325	15,350	400	16,925	16,950	240	18,525	18,550	80
12,150	12,175	718	13,750	13,775	558	15,350	15,375	398	16,950	16,975	238	18,550	18,575	78
12,175	12,200	715	13,775	13,800	555	15,375	15,400	395	16,975	17,000	235	18,575	18,600	75
12,200	12,225	713	13,800	13,825	553	15,400	15,425	393	17,000	17,025	233	18,600	18,625	73
12,225	12,250	710	13,825	13,850	550	15,425	15,450	390	17,025	17,050	230	18,625	18,650	70
12,250	12,275	708	13,850	13,875	548	15,450	15,475	388	17,050	17,075	228	18,650	18,675	68
12,275	12,300	705	13,875	13,900	545	15,475	15,500	385	17,075	17,100	225	18,675	18,700	65
12,300	12,325	703	13,900	13,925	543	15,500	15,525	383	17,100	17,125	223	18,700	18,725	63
12,325	12,350	700	13,925	13,950	540	15,525	15,550	380	17,125	17,150	220	18,725	18,750	60
12,350	12,375	698	13,950	13,975	538	15,550	15,575	378	17,150	17,175	218	18,750	18,775	58
12,375	12,400	695	13,975	14,000	535	15,575	15,600	375	17,175	17,200	215	18,775	18,800	55
12,400	12,425	693	14,000	14,025	533	15,600	15,625	373	17,200	17,225	213	18,800	18,825	53
12,425	12,450	690	14,025	14,050	530	15,625	15,650	370	17,225	17,250	210	18,825	18,850	50
12,450	12,475	688	14,050	14,075	528	15,650	15,675	368	17,250	17,275	208	18,850	18,875	48
12,475	12,500	685	14,075	14,100	525	15,675	15,700	365	17,275	17,300	205	18,875	18,900	45
12,500	12,525	683	14,100	14,125	523	15,700	15,725	363	17,300	17,325	203	18,900	18,925	43
12,525	12,550	680	14,125	14,150	520	15,725	15,750	360	17,325	17,350	200	18,925	18,950	40
12,550	12,575	678	14,150	14,175	518	15,750	15,775	358	17,350	17,375	198	18,950	18,975	38
12,575	12,600	675	14,175	14,200	515	15,775	15,800	355	17,375	17,400	195	18,975	19,000	35
12,600	12,625	673	14,200	14,225	513	15,800	15,825	353	17,400	17,425	193	19,000	19,025	33
12,625	12,650	670	14,225	14,250	510	15,825	15,850	350	17,425	17,450	190	19,025	19,050	30
12,650	12,675	668	14,250	14,275	508	15,850	15,875	348	17,450	17,475	188	19,050	19,075	28
12,675	12,700	665	14,275	14,300	505	15,875	15,900	345	17,475	17,500	185	19,075	19,100	25
12,700	12,725	663	14,300	14,325	503	15,900	15,925	343	17,500	17,525	183	19,100	19,125	23
12,725	12,750	660	14,325	14,350	500	15,925	15,950	340	17,525	17,550	180	19,125	19,150	20
12,750	12,775	658	14,350	14,375	498	15,950	15,975	338	17,550	17,575	178	19,150	19,175	18
12,775	12,800	655	14,375	14,400	495	15,975	16,000	335	17,575	17,600	175	19,175	19,200	15
12,800	12,825	653	14,400	14,425	493	16,000	16,025	333	17,600	17,625	173	19,200	19,225	13
12,825	12,850	650	14,425	14,450	490	16,025	16,050	330	17,625	17,650	170	19,225	19,250	10
12,850	12,875	648	14,450	14,475	488	16,050	16,075	328	17,650	17,675	168	19,250	19,275	8
12,875	12,900	645	14,475	14,500	485	16,075	16,100	325	17,675	17,700	165	19,275	19,300	5
12,900	12,925	643	14,500	14,525	483	16,100	16,125	323	17,700	17,725	163	19,300	19,325	3
12,925	12,950	640	14,525	14,550	480	16,125	16,150	320	17,725	17,750	160	19,325	19,340	1
12,950	12,975	638	14,550	14,575	478	16,150	16,175	318	17,750	17,775	158			
12,975	13,000	635	14,575	14,600	475	16,175	16,200	315	17,775	17,800	155	$19,340 or more—you cannot take the credit		
13,000	13,025	633	14,600	14,625	473	16,200	16,225	313	17,800	17,825	153			
13,025	13,050	630	14,625	14,650	470	16,225	16,250	310	17,825	17,850	150			
13,050	13,075	628	14,650	14,675	468	16,250	16,275	308	17,850	17,875	148			
13,075	13,100	625	14,675	14,700	465	16,275	16,300	305	17,875	17,900	145			
13,100	13,125	623	14,700	14,725	463	16,300	16,325	303	17,900	17,925	143			
13,125	13,150	620	14,725	14,750	460	16,325	16,350	300	17,925	17,950	140			
13,150	13,175	618	14,750	14,775	458	16,350	16,375	298	17,950	17,975	138			
13,175	13,200	615	14,775	14,800	455	16,375	16,400	295	17,975	18,000	135			
13,200	13,225	613	14,800	14,825	453	16,400	16,425	293	18,000	18,025	133			
13,225	13,250	610	14,825	14,850	450	16,425	16,450	290	18,025	18,050	130			
13,250	13,275	608	14,850	14,875	448	16,450	16,475	288	18,050	18,075	128			
13,275	13,300	605	14,875	14,900	445	16,475	16,500	285	18,075	18,100	125			
13,300	13,325	603	14,900	14,925	443	16,500	16,525	283	18,100	18,125	123			

What Is Tele-Tax?

Recorded Tax Information has about 140 topics of tax information that answer many Federal tax questions. You can hear up to three topics on each call you make.

Automated Refund Information is available **beginning March 1** so you can check the status of your refund.

To Call Tele-Tax Toll-Free, Use Only the Numbers Listed Below for Your Area

Long-distance charges apply if you call from outside the local dialing area of the numbers listed below. **Do not dial "1-800" when using a local number.** A complete list of these topics is on the next page.

How Do I Use Tele-Tax?

Recorded Tax Information

Topic numbers are effective January 1, 1990.

Push-button (tone signaling) service is available 24 hours a day, 7 days a week.

Rotary (dial)/push-button (pulse dial) service is available Monday through Friday during regular office hours. (In Hawaii, from 6:30 A.M. to 1:00 P.M.)

Select, by number, the topic you want to hear. For the directory of topics, listen to topic no. 323.

Have paper and pencil handy to take notes.

Call the appropriate phone number listed below.

- If you have a push-button (tone signaling) phone, immediately follow the recorded instructions, or
- If you have a rotary (dial) or push-button (pulse dial) phone, wait for further recorded instructions.

Automated Refund Information

Refund information is available beginning March 1. If you have called to find out about the status of your refund and did not receive a refund mailing date, please wait seven days before calling back.

- Push-button (tone signaling) service is available Monday through Friday from 7:00 A.M. to 11:30 P.M. (Hours may vary in your area.)
- Rotary (dial)/push-button (pulse dial) service is available Monday through Friday during regular office hours. (In Hawaii, from 6:30 A.M. to 1:00 P.M.)

Have a copy of your tax return available since you will need to know the first social security number shown on your return, the filing status, and the **exact** amount of your refund.

Call the appropriate phone number listed below.

Follow the recorded instructions.

ALABAMA
1-800-554-4477

ALASKA
1-800-554-4477

ARIZONA
Phoenix, 252-4909
Elsewhere,
1-800-554-4477

ARKANSAS
1-800-554-4477

CALIFORNIA
Counties of Amador, Calaveras, Contra Costa, Marin, and San Joaquin,
1-800-428-4032
Los Angeles, 617-3177
Oakland, 839-4245
Elsewhere,
1-800-554-4477

COLORADO
Denver, 592-1118
Elsewhere,
1-800-554-4477

CONNECTICUT
1-800-554-4477

DELAWARE
1-800–554-4477

DISTRICT of COLUMBIA
882-1040

FLORIDA
1-800-554-4477

GEORGIA
Atlanta, 331-6572
Elsewhere,
1-800-554-4477

HAWAII
1-800-554-4477

IDAHO
1-800-554-4477

ILLINOIS
Chicago, 886-9614
In area code 708,
1-312-886-9614
Springfield, 789-0489
Elsewhere,
1-800-554-4477

INDIANA
Indianapolis, 631-1010
Elsewhere,
1-800-554-4477

IOWA
Des Moines, 284-7454
Elsewhere,
1-800-554-4477

KANSAS
1-800-554-4477

KENTUCKY
1-800-554-4477

LOUISIANA
1-800-554-4477

MAINE
1-800-554-4477

MARYLAND
Baltimore, 466-1040
Elsewhere,
1-800-554-4477

MASSACHUSETTS
Boston, 523-8602
Elsewhere,
1-800-554-4477

MICHIGAN
Detroit, 961-4282
Elsewhere,
1-800-554-4477

MINNESOTA
St. Paul, 224-4288
Elsewhere,
1-800-554-4477

MISSISSIPPI
1-800-554-4477

MISSOURI
St. Louis, 241-4700
Elsewhere,
1-800-554-4477

MONTANA
1-800-554-4477

NEBRASKA
Omaha, 221-3324
Elsewhere,
1-800-554-4477

NEVADA
1-800-554-4477

NEW HAMPSHIRE
1-800-554-4477

NEW JERSEY
Newark, 624-1223
Elsewhere,
1-800-554-4477

NEW MEXICO
1-800-554-4477

NEW YORK
Bronx, 406-4080
Brooklyn, 858-4461
Buffalo, 856-9320
Manhattan, 406-4080
Queens, 858-4461
Staten Island,
858-4461
Elsewhere,
1-800-554-4477

NORTH CAROLINA
1-800-554-4477

NORTH DAKOTA
1-800-554-4477

OHIO
Cincinnati, 421-0329
Cleveland, 522-3037
Elsewhere,
1-800-554-4477

OKLAHOMA
1-800-554-4477

OREGON
Portland, 294-5363
Elsewhere,
1-800-554-4477

PENNSYLVANIA
Philadelphia, 627-1040
Pittsburgh, 261-1040
Elsewhere,
1-800-554-4477

PUERTO RICO
1-800-554-4477

RHODE ISLAND
1-800-554-4477

SOUTH CAROLINA
1-800-554-4477

SOUTH DAKOTA
1-800-554-4477

TENNESSEE
Nashville, 242-1541
Elsewhere,
1-800-554-4477

TEXAS
Dallas, 767-1792
Houston, 850-8801
Elsewhere,
1-800-554-4477

UTAH
1-800-554-4477

VERMONT
1-800-554-4477

VIRGINIA
Richmond, 829-6397
Elsewhere,
1-800-554-4477

WASHINGTON
Seattle, 343-7221
Elsewhere,
1-800-554-4477

WEST VIRGINIA
1-800-554-4477

WISCONSIN
Milwaukee, 273-8100
Elsewhere,
1-800-554-4477

WYOMING
1-800-554-4477

Tele-Tax Topic Numbers and Subjects

Topic No.	Subject
	IRS Procedures and Services
101	IRS help available—Volunteer tax assistance programs, toll-free telephone, walk-in assistance, and outreach program
102	Tax assistance for handicapped individuals and the hearing impaired
103	Small business tax education—Tax help for small businesses
104	Problem resolution program—Help for problem situations
105	Public libraries—Tax information tapes and reproducible tax forms
106	Examination procedures and how to prepare for an audit
107	The collection process
108	Tax fraud—How to report
109	Types of organizations that qualify for tax-exempt status
110	Organizations—How to apply for exempt status
111	Examination appeal rights
112	Electronic filing
113	Special enrollment examination to practice before IRS
114	Power of attorney information
999	Local information
	Filing Requirements, Filing Status, Exemptions
151	Who must file?
152	Which form—1040, 1040A, or 1040EZ?
153	When, where, and how to file
154	What is your filing status?
155	Dependents
156	Estimated tax
157	Amended returns
158	Decedents
	Types of Income
201	Wages and salaries
202	Tips
203	Interest received
204	Dividends
205	Refund of state and local taxes
206	Alimony received
207	Business income
208	Sole proprietorship
209	Capital gains and losses
210	Pensions and annuities
211	Pensions—The general rule and the simplified general rule
212	Lump-sum distributions
213	Rental income and expenses
214	Renting vacation property/Renting to relatives
215	Royalties
216	Farming and fishing income
217	Earnings for clergy
218	Unemployment compensation
219	Gambling income and expenses
220	Bartering income
221	Scholarships, fellowships, and grants
222	Nontaxable income
223	Social security and equivalent railroad retirement benefits
224	401(k) plans
225	Passive activities—Losses/credits
226	Supplemental Medicare premium
227	Taxability of railroad retirement benefits
	Adjustments to Income
251	Individual retirement arrangements (IRAs)
252	Alimony paid
253	Bad debt deduction
254	Tax shelters
	Itemized Deductions
301	Should I itemize?
302	Medical and dental expenses
303	Taxes
304	Moving expenses
305	Interest expense
306	Contributions
307	Casualty losses
308	Miscellaneous expenses
309	Business use of home
310	Business use of car
311	Business travel expenses
312	Business entertainment expenses
313	Educational expenses
314	Employee business expenses
	Tax Computation
351	Tax and credits figured by IRS
352	Self-employment tax
353	Five-year averaging for lump-sum distributions
354	Alternative minimum tax
355	Gift tax
356	Estate tax
357	Standard deduction
358	Tax on a child's investment income
	Tax Credits
401	Child care credit
402	Earned income credit
403	Credit for the elderly or the disabled
	General Information
451	Substitute tax forms
452	Highlights of 1989 tax changes
453	Refunds—How long they should take
454	Copy of your tax return—How to get one
455	Forms/Publications—How to order
456	Tax shelter registration
457	Extensions for time to file your tax return
458	Form W-2—What to do if not received
459	Penalty for underpayment of estimated tax
460	Recordkeeping
461	How to choose a tax preparer
462	Failure to pay child/spousal support and other Federal obligations
463	Withholding on interest and dividends
464	Highway use tax
465	Checklist/Common errors when preparing your tax return
466	Withholding on pensions and annuities
467	Foreign currency transactions
	IRS Notices and Letters
501	Notices—What to do
502	Notice of underreported income—CP 2000
503	IRS notices and bills/Penalty and interest charges
	Basis of Assets, Depreciation, Sale of Assets
551	Sale of your home—General
552	Sale of your home—How to report gain
553	Sale of your home—Exclusion of gain, age 55 and over
554	Basis of assets
555	Depreciation
556	Installment sales
	Employer Tax Information
601	Social security withholding rates
602	Form W-2—Where, when and how to file
603	Form W-4—Employee's Withholding Allowance Certificate
604	Federal tax deposits—General
605	Employer identification number—How to apply
606	Form 942—Employer's Quarterly Tax Return for Household Employees
607	Form 941—Deposit requirements
608	Form 941—Employer's Quarterly Federal Tax Return
609	Form 940—Deposit requirements
610	Form 940/940-EZ—Employer's Annual Federal Unemployment Tax Return
611	Targeted jobs credit
612	Tips—Withholding and reporting
	Magnetic Media Information
651	Who must file/originals and corrections
652	Acceptable media/Locating a third party to prepare your files
653	Applications, forms, and information
654	Waivers, extensions, and format deviations
655	Test files and combined Federal/state filing
	Tax Information for Aliens and U.S. Citizens Living Abroad
701	Resident and nonresident aliens
702	Dual-status alien
703	Alien tax clearance
704	Foreign earned income exclusion—General
705	Foreign earned income exclusion—Who qualifies?
706	Foreign earned income exclusion—What qualifies?
707	Foreign tax credit
	The following topics are in Spanish:
751	Who must file?
752	Which form to use?
753	What is your filing status?
754	Earned income credit
755	Highlights of 1989 tax changes
756	Forms and publications—How to order
757	Alien tax clearance
758	Refunds—How long they should take
759	IRS help available— Volunteer tax assistance programs, toll-free telephone, walk-in assistance, and outreach program
760	Social security and equivalent railroad retirement benefits
761	Supplemental Medicare premium
	Tax Information for Puerto Rico Residents
851	Who must file a U.S. income tax return in Puerto Rico
852	Deductions and credits for Puerto Rico filers
853	Federal employment taxes in Puerto Rico
854	Tax assistance for residents of Puerto Rico

Topic numbers are effective January 1, 1990.

Call IRS With Your Tax Question

If the instructions to the tax forms and our free tax publications have not answered your question, please call us TOLL-FREE. "Toll-Free" is a telephone call for which you pay only local charges.

CHOOSING THE RIGHT NUMBER: Use only the number listed below for your area. Use a local city number only if it is not a long distance call for you. **Please do not dial "1-800" when using a local city number.**

BEFORE YOU CALL: Remember that good communication is a two-way process. IRS representatives care about the quality of the service we provide to you, our customer. You can help us provide accurate, complete answers to your tax questions by having the following information available:

1. The tax form, schedule, or notice to which your question relates;
2. The facts about your particular situation (the answer to the same question often varies from one taxpayer to another because of differences in their age, income, whether they can be claimed as a dependent, etc.);
3. The name of any IRS publication or other source of information that you used to look for the answer.

BEFORE YOU HANG UP: If you do not fully understand the answer you receive, or you feel our representative may not fully understand your question, our representative needs to know this. He or she will be happy to take the additional time required to be sure we have answered your question fully and in the manner which is most helpful to you.

By law, you are responsible for paying your fair share of Federal income tax. If we should make an error in answering your question, you are still responsible for the payment of the correct tax. Should this occur, however, you will not be charged any penalty. To make sure that IRS representatives give accurate and courteous answers, a second IRS representative sometimes listens in on telephone calls. No record is kept of any taxpayer's identity.

ALABAMA
1-800-424-1040

ALASKA
Anchorage, 561-7484
Elsewhere, 1-800-424-1040

ARIZONA
Phoenix, 257-1233
Elsewhere, 1-800-424-1040

ARKANSAS
1-800-424-1040

CALIFORNIA
Please call the telephone number shown in the white pages of your local telephone directory under U.S. Government, Internal Revenue Service, Federal Tax Assistance.

COLORADO
Denver, 825-7041
Elsewhere, 1-800-424-1040

CONNECTICUT
1-800-424-1040

DELAWARE
1-800-424-1040

DISTRICT of COLUMBIA
488-3100

FLORIDA
Jacksonville, 354-1760
Elsewhere, 1-800-424-1040

GEORGIA
Atlanta, 522-0050
Elsewhere, 1-800-424-1040

HAWAII
Oahu, 541-1040
Elsewhere, 1-800-424-1040

IDAHO
1-800-424-1040

ILLINOIS
Chicago, 435-1040
In area code 708, 1-312-435-1040
Elsewhere, 1-800-424-1040

INDIANA
Indianapolis, 226-5477
Elsewhere, 1-800-424-1040

IOWA
Des Moines, 283-0523
Elsewhere, 1-800-424-1040

KANSAS
1-800-424-1040

KENTUCKY
1-800-424-1040

LOUISIANA
1-800-424-1040

MAINE
1-800-424-1040

MARYLAND
Baltimore, 962-2590
Montgomery County, 488-3100
Prince George's County, 488-3100
Elsewhere, 1-800-424-1040

MASSACHUSETTS
Boston, 523-1040
Elsewhere, 1-800-424-1040

MICHIGAN
Detroit, 237-0800
Elsewhere, 1-800-424-1040

MINNESOTA
Minneapolis, 291-1422
St. Paul, 291-1422
Elsewhere, 1-800-424-1040

MISSISSIPPI
1-800-424-1040

MISSOURI
St. Louis, 342-1040
Elsewhere, 1-800-424-1040

MONTANA
1-800-424-1040

NEBRASKA
Omaha, 422-1500
Elsewhere, 1-800-424-1040

NEVADA
1-800-424-1040

NEW HAMPSHIRE
1-800-424-1040

NEW JERSEY
Newark, 622-0600
Elsewhere, 1-800-424-1040

NEW MEXICO
1-800-424-1040

NEW YORK
Bronx, 732-0100
Brooklyn, 596-3770
Buffalo, 855-3955
Manhattan, 732-0100
Nassau, 222-1131
Queens, 596-3770
Rockland County, 997-1510
Staten Island, 596-3770
Suffolk, 724-5000
Westchester County, 997-1510
Elsewhere, 1-800-424-1040

NORTH CAROLINA
1-800-424-1040

NORTH DAKOTA
1-800-424-1040

OHIO
Cincinnati, 621-6281
Cleveland, 522-3000
Elsewhere, 1-800-424-1040

OKLAHOMA
1-800-424-1040

OREGON
Portland, 221-3960
Elsewhere, 1-800-424-1040

PENNSYLVANIA
Philadelphia, 574-9900
Pittsburgh, 281-0112
Elsewhere, 1-800-424-1040

PUERTO RICO
San Juan Metro Area, 766-5040
Isla DDD, 766-5549

RHODE ISLAND
1-800-424-1040

SOUTH CAROLINA
1-800-424-1040

SOUTH DAKOTA
1-800-424-1040

TENNESSEE
Nashville, 259-4601
Elsewhere, 1-800-424-1040

TEXAS
Dallas, 742-2440
Ft. Worth, 263-9229
Houston, 965-0440
Elsewhere, 1-800-424-1040

UTAH
1-800-424-1040

VERMONT
1-800-424-1040

VIRGINIA
Bailey's Crossroads, 557-9230
Richmond, 649-2361
Elsewhere, 1-800-424-1040

WASHINGTON
Seattle, 442-1040
Elsewhere, 1-800-424-1040

WEST VIRGINIA
1-800-424-1040

WISCONSIN
Milwaukee, 271-3780
Elsewhere, 1-800-424-1040

WYOMING
1-800-424-1040

Telephone Assistance Services for Deaf Taxpayers Who Have Access to TV / Telephone—TTY Equipment.

Indiana residents, 1-800-382-4059

Elsewhere in U.S., including Alaska, Hawaii, Virgin Islands, and Puerto Rico, 1-800-428-4732

Hours of Operation

8:00 A.M. to 6:45 P.M. EST (Jan. 1–April 16)

8:00 A.M. to 4:30 P.M. EST (April 17–Dec. 31)

Need Additional Forms or Publications?

If you do not have any tax questions and you only need tax forms and publications, you can—

- Visit your local IRS office.
- Visit a participating bank or post office for Forms 1040, 1040A, 1040EZ and Schedules A&B and their related instructions.
- Visit a participating library, which stocks a wider variety of forms and publications.
- Use the handy order blank on the next to the last page of the instructions. You should receive the items you order within 2 weeks from the time you mail your request.
- Call our toll-free "Forms Only" number (1-800-424-FORM (3676)). The hours of operation during the filing season are **8:00 A.M. to 5:00 P.M. (weekdays)** and **9:00 A.M. to 3:00 P.M. (Saturdays).** For callers in Alaska and Hawaii the hours are Pacific Standard Time. You should receive your order within 7 to 10 work days after you call.

Notes

Notes

How To Get Forms

Generally, we mail forms and schedules directly to you based on what seems to be right for you. Schedules and forms you may need are listed below. Also see list of related publications.

You can order the following items from IRS or get them at many participating banks, post offices, or libraries:

Form 1040, U.S. Individual Income Tax Return
Instructions for Form 1040

Form 1040A
Instructions for Form 1040A

Form 1040EZ
Instructions for Form 1040EZ

Schedule A for itemized deductions

Schedule B for interest income if more than $400; for dividends and other distributions on stock if more than $400; and for answering the Foreign Accounts or Foreign Trusts questions

You can photocopy the following items (as well as those listed above) at many participating libraries or order them from IRS:

Schedule 2 (Form 1040A), Supplemental Medicare Premium for Form 1040A Filers

Schedule C, Profit or Loss From Business

Schedule D, Capital Gains and Losses

Schedule E, Supplemental Income and Loss

Schedule F, Farm Income and Expenses

Schedule R, Credit for the Elderly or the Disabled

Schedule SE, Social Security Self-Employment Tax

Form 1040-ES, Estimated Tax for Individuals

Form 2106, Employee Business Expenses

Form 2119, Sale of Your Home

Form 2210, Underpayment of Estimated Tax by Individuals and Fiduciaries

Form 2441, Child and Dependent Care Expenses

Form 3468, Computation of Investment Credit

Form 3903, Moving Expenses

Form 4562, Depreciation and Amortization

Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

Form 8283, Noncash Charitable Contributions

Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents

Form 8582, Passive Activity Loss Limitations

Form 8606, Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA Distributions

Form 8615, Computation of Tax for Children Under Age 14 Who Have Investment Income of More Than $1,000

Form 8808, Supplemental Medicare Premium

How To Get Publications

The following publications can be ordered from IRS, or you can read or photocopy them at many participating libraries:

1 Your Rights as a Taxpayer
2 The ABC's of Income Tax
17 Your Federal Income Tax
463 Travel, Entertainment, and Gift Expenses
501 Exemptions, Standard Deduction, and Filing Information
502 Medical and Dental Expenses
504 Tax Information for Divorced or Separated Individuals
505 Tax Withholding and Estimated Tax
508 Educational Expenses
521 Moving Expenses
523 Tax Information on Selling Your Home
524 Credit for the Elderly or the Disabled
525 Taxable and Nontaxable Income
527 Residential Rental Property (Including Rental of Vacation Houses)
529 Miscellaneous Deductions
545 Interest Expense
553 Highlights of 1989 Tax Changes
554 Tax Information for Older Americans
910 Guide to Free Tax Services
917 Business Use of a Car
929 Tax Rules for Children and Dependents

Other publications and forms referred to in the instructions are also available without cost from the "Forms Distribution Center" for your state. See Publication 910 for a complete list of available publications.

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1040	Schedule C (1040)	1040-ES (1990)	3903 & Instructions	8615	Pub. 504	Pub. 527	Pub. 929
Instructions for 1040 & Schedules	Schedule D (1040)	1040X & Instructions	4562 & Instructions	8808 & Instructions	Pub. 505	Pub. 529	
1040A	Schedule D-1 (1040)	2106 & Instructions	4868	Pub. 1	Pub. 508	Pub. 545	
Schedule 2 (1040A)	Schedule E (1040)	2119 & Instructions	8283 & Instructions	Pub. 2	Pub. 521	Pub. 553	
1040EZ	Schedule F (1040)	2210 & Instructions	8332	Pub. 463	Pub. 523	Pub. 554	
1040A & 1040EZ Instructions	Schedule R (1040) & Instructions	2441 & Instructions	8582 & Instructions	Pub. 501	Pub. 524	Pub. 910	
Schedules A&B (1040)	Schedule SE (1040)	3468 & Instructions	8606	Pub. 502	Pub. 525	Pub. 917	

Index to Instructions

A

Address Change 22
Addresses of Internal Revenue Service Centers 5
Adjustments to Income 14
Advance Earned Income Credit Payments 19
After School Child Care Expenses 18
Alimony Paid 15
Alimony Received 11
Alternative Minimum Tax 18
Amended Return 23
Amount You Owe (or Refund) 21
Annuities 12
Attachments to the Return 6
Automated Refund Information 38

B

Backup Withholding 19
Bartering Income 9
Birth or Death of Dependent 8
Blindness—Proof of 16
Business Use of Home 26

C

Capital Gain Distributions 11
Casualty and Theft Losses 26
Charity—Gifts to 25
Child and Dependent Care Expenses—Credit for 18
Children of Divorced or Separated Parents—
  Exemption for 8
Community Property States 9
Corresponding With IRS 22
Credits Against Tax 18

D

Day-Care Center Expenses 18
Death of Taxpayer 23
Dependents—
  Exemptions for 8
  Standard Deduction 17
Dividends, Other Distributions .... 10 and 27
Divorced or Separated Parents—Children of 8

E

Earned Income Credit 20
Earned Income Credit Table .... 36 and 37
Educational Expenses 26
Elderly Persons—
  Expenses for Care of 18
  Standard Deduction 17
Employee Business Expenses .... 2 and 26
Employer-Provided Dependent Care Benefits 10
Employer-Provided Vehicle .... 10 and 16
Estimated Tax .... 19 and 22
Excess Medicare Tax Credit 21
Excess Social Security and RRTA Tax Withheld 20
Exemptions 8

F

Fast Refund 2
Filing Requirements—
  Extension of Time To File 5
  When To File 5
  Where To File 5
  Which Form To File 6
  Who Must File .... 4 and 5
  Who Should File 5
Filing Status 7
Foreign Accounts and Foreign Trusts 27
Forms—See "Order Blank" 41

G

General Information 22
Gift To Reduce the Public Debt 22
Gifts To Charity 25

H

Head of Household 7
Health Insurance Deduction—Self-Employed 15

I

Income—Not To Be Reported (Examples) 9
Income—To Be Reported (Examples) 9
Income Tax Withholding (Federal) 19
Individual Retirement Arrangements (IRAs)—
  Contributions to (lines 24 and 25) 14
  Distributions from (lines 16a and 16b) 11
  Nondeductible Contributions to .... 11 and 14
Injured Spouse Claim 21
Interest You May Deduct 24
Interest Income—
  Taxable .... 10 and 27
  Tax-Exempt .... 10 and 27
Interest—Late Payment of Tax 22
Interest—Penalty on Early Withdrawal of Savings 15
Itemized Deductions Or Standard Deduction 16

K

Keogh Plan—Deduction for 15

L

Line-by-Line Instructions 6

M

Married Persons—
  Filing Joint or Separate Returns 7
  Special Rule for Aliens 7
  Who Live Apart 7
Medical and Dental Expenses 23
Medicare Premium, Supplemental 19
Miscellaneous Itemized Deductions—Subject to 2%
  AGI Limit 26
Mortgage Interest Credit .... 18 and 24
Moving Expenses 26

N

Nonresident Alien—
  Exemption for Spouse 8
  Filing a Joint Return 7
  Who Must File 5
Nontaxable Income (Examples) 9

O

Original Issue Discount (OID) .... 10 and 27
Other Income 13
Other Taxes 18

P

Payments 19
Penalty—
  Early Withdrawal of Savings 15
  Frivolous Return 22
  Late Filing 22
  Late Payment 22
  Other 22
  Underpayment of Estimated Tax 21
Pensions and Annuities 12
Preparer—Tax Return 22
Presidential Election $1 Check-off 7
Privacy and Paperwork Reduction Act Notice 3
Problems, Unresolved Tax 4
Publications—See "Order Blank" 41

R

Railroad Retirement Benefits—
  Treated as a Pension 12
  Treated as Social Security 13
Records—How Long To Keep 22
Refund or Amount You Owe 21
Refunds, State and Local Income Taxes 11
Retirement Plan Deduction, Keogh 15
Rounding Off to Whole Dollars 9

S

Schedules, Instructions for—
  Schedule A 23–27
  Schedule B 27
Scholarships and Fellowships 10
Self-Employment Tax 18
Social Security and Equivalent Railroad
  Retirement Benefits 13
Social Security Number .... 2, 6, and 22
Standard Deduction Or Itemized Deductions 16
State and Local Income Taxes—
  Taxable Refunds of 11
Student Dependents—Exemption for 8
Substitute Tax Forms 23
Supplemental Medicare Premium 19

T

Tax—
  Computation 16
  Figured by IRS 16
  Other—
    Accumulation Distribution of Trusts 18
    Alternative Minimum Tax.... 18
    Lump-Sum Distributions 18
    Qualified Retirement Plans (Including IRAs) 19
    Recapture of Investment Credit and Low-Income
      Housing Credit 18
    Self-Employment Income 18
    Tax Under Section 72(m)(5) 19
Tax Rate Schedules 35
Tax Table 29–34
Taxes You May Deduct 24
Telephone Assistance—
  Federal Tax Information 38–40
Tele-Tax Information .... 38 and 39
Tip Income .... 9 and 18
Trusts—Foreign 27

U

Unemployment Compensation 13
U.S. Citizens and Resident Aliens Living
  Abroad .... 5 and 9

W

When To File 5
Where To File 5
Which Form To File 6
Who Must File .... 4 and 5
Who Should File 5
Widows and Widowers, Qualifying 7
Winnings—Prizes, Gambling, and Lotteries
  (Other Income) 13
Withholding—Federal Income Tax 19

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